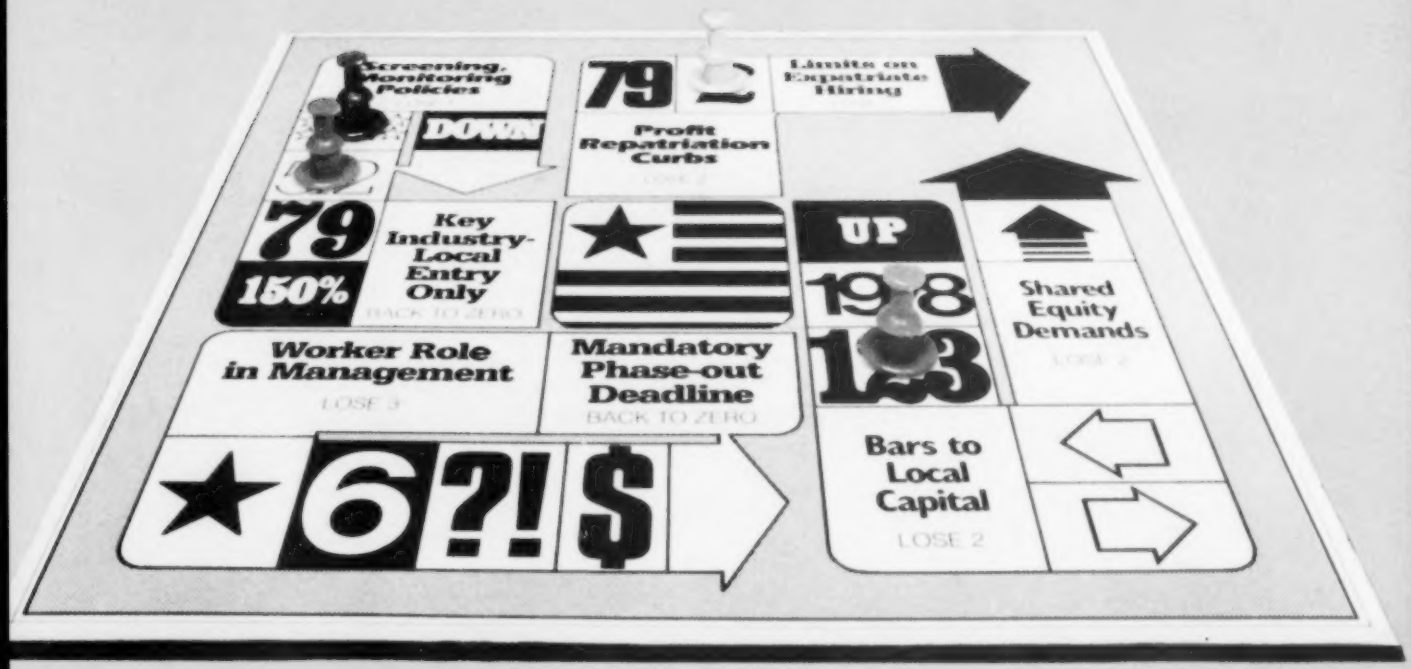
COMMERCE AMERICA

U.S. Department of Commerce / July 3, 1978

Coping with New Challenges to Investment Ventures Abroad



The Zenith Decision Settles A Vital Export Subsidy Issue

In *Zenith* v. *United States,* the Supreme Court has decided unanimously that the failure to impose an indirect tax on exported products while imposing the tax on products consumed in the country of production does not confer a "bounty or grant" on the exported product within the meaning of the United States countervailing duty statute. A decision against the Administration in this case would have had far-reaching consequences for both the current Tokyo Round of multilateral trade negotiations and international trade in general.

The case began in April 1970 when the Zenith Radio Corp. filed a petition with the Commissioner of Customs which alleged that Japan had bestowed a "bounty or grant" upon the exportation of consumer electronic products to the United States through the remission of the Japanese commodity tax that would have been imposed had the products been sold in Japan.

In January 1976, the Treasury Department rejected Zenith's request for the imposition of countervailing duties on the grounds that Treasury had long interpreted the countervailing duty statute in a manner which recognized the "destination principle" of indirect taxation and thus did not consider that the non-excessive rebate of an indirect tax on exports was a subsidy. This administrative interpretation of the law by Treasury is consistent with the indirect tax provisions of the General Agreement on Tariffs and Trade (GATT).

Making use of a provision in the Trade Act of 1974, Zenith appealed Treasury's decision to the United States Customs Court which ruled in favor of the company and ordered Treasury to suspend liquidation on imports of consumer electronic products from Japan valued at nearly $2 billion in 1976.

On appeal by the government, the Court of Customs and Patents reversed the judgment of the lower court in an opinion which held that the Treasury Department's interpretation of the statute so as not to include a nonexcessive remission of an indirect tax is a lawfully permissible interpretation of the countervail law. When Zenith appealed to the Supreme Court for a reversal, the high court affirmed the decision in favor of the Administration in a unanimous opinion.

The June 21 decision of the Supreme Court in this case should end the longstanding legal debate in the United States over whether a so-called "border tax" rebate of a nonexcessive nature can be construed as conferring an economic advantage (or subsidy) on products exported to the United States.

For centuries, such rebates or remissions have been viewed as the only reasonable means of avoiding the double taxation of exported goods—a principle to which the United States itself adheres through the across-the-board exemption of exported American goods from otherwise applicable Federal excise and state sales taxes. To consider foreign exemptions from such taxes as "countervailable" subsidies would be to admit to a large-scale U.S. subsidization of exports. Such a position would clearly be untenable in the long run in that, in the words of Justice Marshall ". . . foreign tax systems as well as private expectations thus have been built on the assumption that countervailing duties would not be imposed on nonexcessive remissions of indirect taxes."

A Supreme Court decision against the Administration in this case would have had dire consequences for the international trading system in that it would have set the stage for U.S. countervailing duty actions against most products imported from our major trading partners. The seriousness of the situation is dramatized by an informal study done by the Department of Commerce in the summer of 1977 which was drawn upon by the Administration in its brief to the Supreme Court. That study concluded that, on the basis of general Federal consumption taxes alone, an adverse decision in the Zenith case might call for the eventual imposition of countervailing duties on $51 billion worth of United States imports from 16 of the largest U.S. trading partners (1976 figures). Other countries would doubtless have pursued a course of retaliation against American exports and a major trade war would have been highly possible.

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Coping with New Challenges to Investment Ventures Abroad

American companies contemplating investments abroad face an international economic environment far different today from that which they encountered as recently as a decade ago. The shocks that the global economic system has endured in recent years—currency realignments, adoption of a floating exchange rate regime, inflation, recession, the drastic increase in oil prices, commodity shortages—have drastically altered the fabric of economic relationships. Those developments may significantly affect the international investment activities of American companies, but the full nature and extent of those implications have yet to reveal themselves in some cases, and they may be difficult to predict.

U.S. investors also have encountered subtle but important changes in recent years at another level, namely, the way foreign direct investment is viewed in both developed and less-developed countries. The changes in perception of foreign investment have been more gradual, and therefore less dramatic, than the changes in global economic conditions. However, in combination with those conditions they tend to make the foreign investment picture facing U.S. companies far more complex today than ever before.

This article deals only indirectly with the effects of the world's recent economic upheavals on American investment abroad. It focuses instead on the policies that foreign governments have instituted as a consequence of their shifting perceptions of foreign direct investment, and how those policies have reflected the world's economic troubles. A subsequent article will examine the ways American companies are adapting to the new international investment climate, and a few indications that the future for foreign investment might be somewhat less difficult than the recent past.

First of two articles by Gerald M. Feldman of the Industry and Trade Administration's Investment Policy Division

As the world's leading supplier of foreign direct investment capital, U.S. companies are especially sensitive to the shifts in the global investment climate that have been unfolding in recent years. American investors today find that countries no longer extend an unbridled welcome to foreign-owned enterprises. To a greater extent than ever before, governments are demanding that foreign investors conform to their broader social and development goals and not isolate themselves from the social problems of their host countries.

Additionally, host governments now demand increased control over the operations of foreign companies, as well as greater equity participation in those companies. In many cases, host countries insist on majority local interest. Developed as well as developing countries have become far more discriminating in their scrutiny of foreign investment proposals and less willing to allow prospective investors to determine their own terms of entry and rules of operation.

The new perception of foreign investment has impacted on virtually all sectors and industries, with the most sensitive area being the extractive sector. In this area, governments are asserting greater sovereignty and tighter controls over the ways their depletable natural resources are developed and exploited.

In implementing their more selective policies, host governments have been aided by the growth in recent years in the number of non-American multinational enterprises, many of which are willing to accept more flexible investment arrangements attuned to the desires of the host countries.

In 1966, U.S. companies accounted for about 60 percent of total international direct investment by all countries, according to an OECD estimate. Since then the U.S. share has declined, as Japanese and European companies have become more multinational in character. Although the U.S. is still the world's dominant source of foreign investment capital, it no longer supplies the majority share. As a result, host governments now enjoy the luxury of wider choice among competing investors and methods of operation.

Shift in financing

Statistics on U.S. overseas direct investment flows in the last decade or so tend to conceal the effects of the world's changing attitudes and global economic upheavals. Between 1966 and 1976, the last year for which final figures are available, the book value of American direct investment abroad grew steadily at an impressive average rate of about ten percent per year, from a level of $51.8 billion to $137.2 billion. Even the world recession of the mid-1970's did not appreciably dampen the overall growth. However, the composition of the annual increase in total U.S. foreign investment has undergone a gradual and revealing change.

The proportion financed through capital outflows from U.S. parent companies has declined, with larger increments now being supplied from reinvested earnings of foreign affiliates. In 1967, 64 percent of the added increment to the book value of U.S. direct investment abroad was accounted for by net capital outflows from U.S. parents. Outflows continued to dominate until 1972, when for the first time reinvested earnings accounted for 64 percent of the net increment to book value. In 1976, only 35 percent of the increase in U.S. direct investment abroad came from capital outflows, while reinvested earnings accounted for nearly 60 percent. (The remaining 5 percent was attributed to "international and unallocated" sources.)

The greater reliance on affiliate reinvested earnings for direct investment capital was caused in part by U.S. Government action. Capital controls instituted to protect the balance of payments restricted the outflow of investment capital funds from the United States in the late 1960's and early 1970's. However, capital outflows have rebounded only moderately since the controls were lifted. This may be due in part to the state of world money markets and the devaluation of the dollar. It is likely that restrictions and controls imposed by host countries on foreign-owned enterprises have also played a role. In recent years, U.S. companies have encountered a bewildering array of such restrictions in both developed and less developed countries.

The public sector has grown substantially in recent years throughout the developed world.

Developed country restrictions

Although most industrialized countries recognize the valuable role that foreign investment can play in economic growth, many have become more selective in the welcome they extend to foreign investors. Canada and Australia—two nations which traditionally have depended heavily on foreign invest-

ments and have permitted them virtually without restriction—both established government screening mechanisms in the early 1970's to ensure that proposed takeovers of established businesses by foreigners are consistent with national policy goals. Australia later broadened its review to cover new foreign direct investments, and Canada extended its screening to include the establishment of new businesses by foreigners, or diversifications by foreign-controlled enterprises into new fields of business.

In both countries a formalized review process for foreign investments was created to answer a growing national concern over foreign domination of the economy. Although neither nation has discriminated against U.S. investors in the implementation of its screening law, Americans have been especially sensitive to the monitoring procedures due to the large amounts of U.S. investment in both countries.

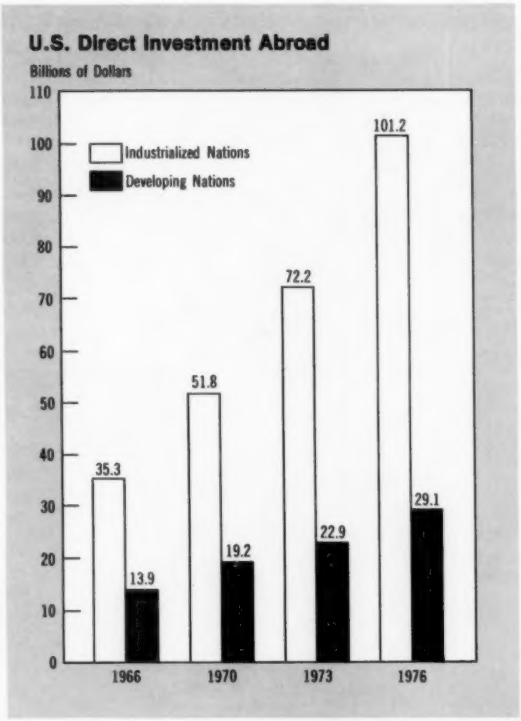
Other industrialized nations also screen foreign investment proposals, although they have less formalized mechanisms and rely more on administrative controls. Japan has traditionally followed a restrictive policy with respect to foreign direct investment, and has administered that policy through a complex government approval process. However, both Japanese policies and the approval procedures have been liberalized substantially in recent years. France also reviews foreign investment proposals, with an eye toward protecting domestic industries and preventing concentrations of foreign capital in key sectors. The United Kingdom in 1975 enacted a law empowering the government to prohibit foreign acquisitions of important manufacturing enterprises if the transfers are deemed contrary to the national interest. A number of other countries review foreign investment proposals under laws governing foreign exchange transfers.

Host governments now enjoy the luxury of wider choice among competing investors.

Some countries have closed one or more potentially lucrative fields to foreign participation, or have placed restrictions on the amount of foreign equity permissible in enterprises operating in those fields. Japan, Canada, and Australia follow such policies with respect to certain types of natural resource industries, particularly minerals development. In other countries—France, Italy, and the United Kingdom, among others—certain industries are reserved for state-owned enterprises, while in other industries private enterprise competes with public sector companies. The German and Swedish governments also own substantial shares of their nations' productive capacities, although they do not reserve industries exclusively for the state. In general, the public sector has grown substantially in recent years throughout the developed world, where the United States holds three-quarters of its worldwide private direct investment.

Some European governments have expanded their business role in other ways, particularly in employment-sensitive situations. In the recent past when American multinational firms have proposed closing unprofitable operations in Belgium, Italy, the Netherlands, the United Kingdom, and most recently in Switzerland, they have encountered resistance from host governments, as well as from local labor unions.

Another element of the changing investment climate in the developed world is the spread of worker participation laws, which require companies to set aside shares of management and/or profits for workers. Germany and Sweden have already implemented the concept, and some form of worker participation legislation is also on the books in Denmark, Norway, and Austria. The United Kingdom recently announced plans to introduce legislation requiring worker participation, while France and Italy have shelved plans to enact such laws, at least temporarily, due to sluggish business conditions.



Governments that have enacted worker participation laws claim that the programs benefit the companies concerned by promoting labor peace. Investors counter that such programs raise the costs of doing business, and they often contend that worker representation on company boards can complicate business decisionmaking.

Developing country restrictions

The constraints placed on foreign investors in developing countries (LDCs) are even more numerous and varied than those in the developed world. In the early 1970's, LDCs recognized that world shortages of fuels and raw materials placed them in a unique position to alter both the terms of trade for their export commodities and the terms governing foreign investment in those commodities.

In May 1974, a unified Third World bloc at the United Nations Sixth Special Session produced a "Declaration on the Establishment of a New Inter-

national Economic Order." The declaration called for a program of action to redress what it described as a deep-seated economic imbalance between the developed and developing countries. Among the measures it prescribed was the formulation of an international code of conduct for multinational corporations. The code would govern the activities of the corporations worldwide so as to eliminate restrictive business practices, regulate the repatriation of profits, and promote the reinvestment of earnings in LDCs. The declaration also called for the formulation of an international code of conduct for the transfer of technology that would assure the LDCs access to modern technology on improved terms.

The proposals were not new. Most of them had been outlined ten years earlier at the first United Nations Conference on Trade and Development (UNCTAD). What was new was the unified effort of the LDCs to press the program, and their readiness to try to dictate new terms to the industrialized countries for access to their vital raw materials resources.

In the spirit of the New International Economic Order, many LDCs have set maximum foreign equity levels for all industries, and they require that established foreign investors transfer ownership to indigenous persons—or to the government—according to specified timetables. India is representative of a few countries that have gone even further, permitting foreign investment only where insufficient dometic capability exists, or in high technology, export-oriented industries.

More and more developing countries are requiring that foreign investors maximize their use of local content in manufacturing, that they increase local processing, or that they meet certain export goals. Brazil's long list of import restrictions causes many foreign companies to expand and diversify their investments there so that they can produce many of their parts and components within the country rather than import them. A large number of LDCs also limit the number of expatriate workers and the types of jobs they may hold.

The need to conserve scarce foreign exchange resources has prompted many developing nations in recent years to tighten controls over profit and capital repatriation by foreign-owned enterprises. A few also control payments by foreign-owned companies to their overseas parents for the use of technology or trademarks. Some American firms in Mexico have found that the government will not permit the use of their trademarks unless they are joined with local marks.

Most of the Andean Pact countries and other Latin American nations restrict access by foreign-owned firms to local borrowing, while the Philippines uses a formula based on the companies' debt-equity structures to control their access to local capital markets.

In many LDCs, firms are ineligible to bid for government contracts unless they are majority locally-owned. Some governments may entertain bids from local firms with foreign equity, but they customarily give large price preferences to domestic enterprises.

A number of countries have banded together for so-called "regional industry complementation" projects that discriminate against foreign-owned companies. The Andean Pact program requires that companies participating in the projects have no more than 49 percent non-Andean ownership, and the Association of Southeast Asian Nations (ASEAN) is contemplating a similar provision.

Investment disputes

The increased incidence of investment disputes offers a clear indication of the changing investment environment in the developing world. A State Department report released in September 1977 counted 78 new disputes involving U.S. foreign direct investments in the period Feb. 1, 1975 through Feb. 28, 1977. The 78 new cases—which included expropriations, nationalizations, coerced contract renegotiations or sales of assets, and other host government actions—compared with only 42 new disputes in the preceding 18 months.

Developing nations have grown more sophisticated in controlling foreign-owned enterprises.

Latin America led all areas in the incidence of both new disputes and old disputes remaining unsettled, with 39 percent of the total. Africa accounted for 27 percent, Asia for 13 percent, and the Near East for 20 percent. The success of the Organization of Petroleum Exporting Countries (OPEC) in nationalizing their foreign-owned oil industries served as a catalyst for other LDCs, as resources and resource-related investments accounted for 63 percent of the new disputes, and four-fifths of those were in the petroleum sector.

As the developing countries have become more selective in their foreign investment policies, they have also grown more sophisticated in achieving control over foreign-owned enterprises. Nothing demonstrates this trend more clearly than the changing nature of investment disputes. In recent years the incidence of formal expropriation has declined relative to more subtle forms of control. Governments today turn more frequently than ever before toward forced sales, renegotiation of contracts, and intervention in company management or decision-making. A few countries have even taken steps to restrict the market for foreign-owned businesses, thereby rendering them unprofitable.

Consequences of nationalism

Statistics on U.S. direct investment around the world demonstrate the consequences of growing economic nationalism in developing countries. The portion of total American international investment being allocated to LDCs has declined steadily in recent years, from 27 percent in 1966 to 21 percent in 1976, although U.S. investors over that period realized an average annual rate of return in LDCs of more than 21 percent—more than twice their average return in the developed world. Clearly, American investors are evaluating risk factors in their investment decisions with greater caution than ever before, and the result is that developing countries are receiving less of the private investment capital and technology that they sorely need.

(The concluding article in the July 17 issue will detail the response of U.S. firms to the new global investment challenge.)

READY TO LISTEN—Keuffel & Esser officials get their Far East agents' seminar underway at the U.S. International Marketing Center in Singapore.

Making Agents' Views Count

It was a problem that Keuffel & Esser could not solve on its slide rules. How to bring its Far East representatives together in a solidly American sales atmosphere and save about a quarter of a million travel miles to the U.S.? The answer: use the facilities in Singapore of the U.S. International Marketing Center.

The U.S. Center in its five years of existence has established itself as a focal point for sales efforts throughout Southeast Asia. Tom Moore of Commerce Department's Industry and Trade Administration, director of the center, has welcomed the presence of agents and distributors for American exporters and has seen them steadily widening the scope of their contributions to their firms' total export efforts.

These contributions, in Moore's observation, often go considerably beyond the sales line, extending into the research and development laboratories and even at times into the board rooms where vital product decisions are made. And this input that originates far from company headquarters has the greatest impact when it is based on solid channels of communication, agent to company and agent to agent.

Keuffel & Esser, New Jersey-based manufacturer and supplier of engineering equipment for draftsmen, surveyors, architects and graphic artists, had been holding annual agents' seminars in the United States, for just such reasons. A few weeks ago, however, to help strengthen its role in specifically Asian markets, the company called its Australasian agents together for a seminar at the U.S. Marketing Center in Singapore. The move was described subsequently by both management and participants as "highly beneficial."

Twenty-four people attended, three executives from the company and the rest from agencies in Japan, Malaysia, Singapore, the Philippines, Thailand, Hong Kong, Korea, Taiwan, New Zealand and Australia.

Finding Aggressive Agents

This article is devoted to the export contributions of an already-existing overseas network of agents. *Commerce America* readers are reminded that Commerce's Industry & Trade Administration stands ready to assist U.S. firms in locating new agents abroad.

In this regard, various Commerce-operated International Marketing Centers or Trade Centers in about a dozen foreign commercial capitals have two programs for companies interested in finding or adding effective agents.

One of these, called **REPFIND**, brings trade show participants together with suitable agent/distributor candidates during the exhibition period. The other, the **Product Marketing Service**, provides, in summary, "an office away from the office" with complete communications and secretarial facilities for briefings and appointments for up to five days.

Richard Garnitz, director of ITA's Office of International Marketing, said of these programs that they represent "one of the many areas where the staffs of the marketing or trade centers abroad—and the Commercial Sections at U.S. Embassies—can be of significant assistance to the American exporter. Qualified prospective agents can be pre-identified and approved for interviews by the inquiring firm. A list of candidates physically and fiscally able to handle the exporter's products, providing entree into the relevant industrial field, and—very importantly—having an interest in selling the American product, is developed. These programs save the prospective exporter valuable time, hundreds of dollars, and limit greatly the possibility of unhappy selection of agents."

Meanwhile, programs conducted from the U.S. are cited by Stephen J. Karikas of the ITA Export Information Division: "Sign up for the **Trade Opportunities Program**, the **Export Mailing List**, or—the ultimate assistance—the **Agent/Distributor Service**, in which up to six qualified import agents, in each market of your choice, who have expressed a specific interest in your export offer, are selected for your review. Each of these services is described in detail in individual brochures. Ask the nearest Commerce District Office."

CENTER OF ATTENTION—The product is the focus at Keuffel & Esser's Singapore seminar as agents from three countries describe sales experiences to two company officials.

One of the participants in the seminar, Lim Chang Seo of the Dae Dong Co., Ltd., Seoul, described frequent contact with the principal as "very necessary." He said: "My interest is in mapping and photogrammetry (the use of instruments to create precise topographical maps relative mainly to forestry, crops and hydrology) and there is a lot to talk about at these meetings."

Lim explained that he was often in a position to identify marketing opportunities outside Korea, largely through observation of the purchasing activities there of organizations in related fields. For this reason, he said, meetings held in the region are particularly useful because they enable the agents themselves to discuss issues of mutual interest in a familiar market environment.

Michael Leong of Motion Smith & Sons Ltd., Petaling Jaya, Malaysia, also emphasized the importance of regular contact between the agents as well as with the exporter. "As a network becomes larger, so also the need for more understanding among those involved increases. Without contact, the different values and methods of doing business in various areas will complicate the overall company effort, and perhaps even foster misunderstanding." But Leong cautioned that an appropriate level of product knowledge was also necessary:

"The most successful agents in this part of the world are those who are the best schooled in their products. It is even possible for the agent to become more knowledgeable about a particular product than the principal. This may be because the practical application of the product and the market's approach to it, which may be influenced by habits peculiar to a certain place, are difficult to simulate at the product testing or home marketing center in the United States."

The importance of a personal relationship between the principal and the agent was indicated also by Nestor M. Tanyag, of CALI Mercantile Inc., Manila. Tanyag put it another way:

"Nothing happens until someone sells something. This type of seminar relates mainly to selling, which is not an impersonal process. It involves personal understanding within the marketing group, as well as credibility and thorough product knowledge.

"When you sell an engineering product you really sell a little of yourself. In this particular field we are constantly running into our products in use. These products are not of the type that can be sold and forgotten. They can play a highly useful part in economic development in this region. Their use is tied in closely with the individual who sells them and the sales process cannot be looked on in the same way as for a fast-moving consumer product."

Nobuo Takagi of Rokuoh Shoji Co., Ltd., Tokyo, said that informal discussion between participants was easier in a central place like Singapore because personal communication among the Asian participants was easier. There was also an economic advantage in holding a seminar in the region, he said.

One of the company representatives was Vincent Donofrio, Jr., Area Manager, International Operations. According to Donofrio, the type and level of communication that has developed within the group worldwide has materially affected the degree of involvement by agents in the company's affairs.

"We are all benefitting because our agents are more innovative, not only in their merchandising roles, but also in their overall marketing. We are looking to the agent to brief us about market preferences and even to interpret in the local environment the perceived standing of the organization, as this is affected by what the organization offers and the manner in which it is offered. On the other hand, we indicate our plans and policies and provide a means for agents to develop product knowledge. It is a real exchange."

He added that conducting agent seminars in a place like Singapore makes it easier to generate, discuss and examine feedback from agents while they are in the region. "This is particularly useful as decisions taken on the strength of this feedback may have a bearing on a variety of issues from expansion of our product base to corporate presentation in the market."

Commenting on this kind of individual business-sponsored function at the U.S. International Marketing Center, Director Moore said that the reasons for holding the Keuffel & Esser Co. agents' seminar applied to many other companies.

To assist companies interested in holding agent seminars, each Commerce Department Trade Center or International Marketing Center can provide suitable meeting rooms, audio-visual equipment, local telephone service, access to telecommunications, and assistance in locating secretarial and interpreter services (at the company's expense). Seminars can be scheduled at any time that the center is not being readied for a major exhibition. Arrangements can be made by contacting the centers directly or through the relevant Country Marketing Manager in Washington.

"When you sell an engineering product you really sell a little of yourself."

ITALY PAYS HIGH PRICE FOR RETURN TO STABILITY; PROBLEMS ARE OUTLINED

The medium-term outlook for the Italian economy is for a relatively low growth rate, unless some fundamental adjustments are made. The U.S. Embassy in Rome reports that these adjustments are required particularly in the areas of government expenditures and labor costs.

During the course of 1977, the Italian economy responded satisfactorily to the stabilization efforts taken in early 1977. The rate of inflation was reduced to around 15 percent by year-end from 22 percent at the beginning of 1977, while the current account of the balance of payments recorded a positive swing of almost $4.9 billion. The economy paid a considerable price, however, for these achievements. The growth rate dropped from 5.7 percent in 1976 to 1.7 percent in 1977. Investment was stagnant, and the unemployment rate hovered around 7 percent.

For 1978, the average growth rate of the economy is expected to be around 2-2.5 percent, with the year-on-year rate reaching about 4.5 percent by the end of this year. The average inflation rate is forecast at around 13 percent, virtually unchanged from the underlying rate of last year. The major impetus to growth should come from exports and consumption, particularly private consumption.

Resilient, flexible economy

The economy continues to show great resiliency and flexibility, as shown by the rapid slowdown in the rate of inflation and the swing of the balance of payments into a large surplus. However, the price of this resiliency has been on the rise in recent years as the rate of growth consistent with external and internal stability has been decreasing. The Bank of Italy estimates that this growth rate is now around 3.0 percent.

The economy is facing two serious structural problems. First is the excessive rate of growth of public sector expenditures (particularly of transfer payments), far outstripping a reasonable rate of growth in revenues, which are absorbing an ever greater portion of the nation's resources. The public sector deficit is about 12 percent of GDP, while the savings rate is about 11 percent. The second problem is labor costs. In recent years, Italy's per unit labor cost increases have far outpaced those in other industrial countries. This has been caused by the scissors effect of low productivity and rising money wages. Not until reasonable progress is made in solving these two problems will Italy be able to resume a growth rate high enough to significantly reduce unemployment without refueling inflation and causing a large balance of payment swing into deficit.

The balance of payments continues to be a critical constraint on economic growth. Focusing on 1978, which is the immediate concern of policymakers, the current account is projected to record a surplus of roughly the same order of magnitude as in 1977, i.e., about $2 billion. Such an outcome is based on the slow pattern of recovery projected for 1978, in which demand for imports rises only gradually and Italian exports maintain, if not slightly increase, their market shares. This result also assumes the authorities continue to take a cautious monetary and credit policy stance aimed particularly at avoiding a speculative stock building boom.

Concomitant with the projected $2 billion current account surplus, are foreign debt repayment obligations amounting to about $4 billion in 1978, of which about $1.25 billion due official lenders had already been repaid as of the first quarter. Italy has also recommenced borrowing abroad, after an absence of about four years from the Eurodollar market, and in the first quarter of 1978 Italian borrowers had contracted about $200 million in new medium-term loans. Private medium-term capital inflow, the projected surplus on current account, probably some new official financing (as from the EEC or IMF), and a drawdown of official convertible currency reserves, which were $6.7 billion as of end-March, would enable Italy to meet its foreign debt repayment obligations in 1978.

Reflecting the slowdown in overall imports, Italy's imports from the United States in 1977 leveled off at the $3.3 billion level achieved in 1975 and 1976. At the same time, U.S. imports from Italy have risen steadily: the balance of trade, which in 1976 was nearly $1 billion in favor of the United States, could reach equilibrium during 1978. Machinery, chemicals, and agricultural products continue to be the major U.S. exports, but products concentrated in two significant areas have strong sales potential: highly automated, state-of-the-art equipment which promises to increase productivity and reduce the cost of industrial production, and products targeted at serving Italy's export-oriented industries, which are doing quite well.

Specific opportunities include computers and peripherals, which still lead all other sectors in growth rate; Italy has still not reached the average computer penetration of industry and commerce as have its EEC partners, and the race toward competitive equality continues, with U.S. equipment and technology maintaining an edge. A measure of the momentum generated in this field is the growth over the years in the size of and attendance at the annual Electronic Data Processing Show at the U.S. Trade Center in Milan; it is easily the most important such event in Italy.

Related are continuously growing opportunities for sale of production process control equipment and instrumentation. The rising unit cost of production in Italy is a source of major government and private concern. U.S. manufacturers of advanced technology equipment have found a receptive welcome, especially from those private firms engaged in exports in competition with other industrialized countries.

Energy is a sector with increasing potential, as in peripheral equipment and systems associated with nuclear installations (waste-handling storage technology and safety monitoring equipment) and in the geothermal field. A rapidly growing sector is solar energy, where Italian interest has soared recently; international exhibitions on solar energy are scheduled for 1978 in Palermo and Genoa and a growing number of Italian firms are actively engaged in research or are seeking technology through licensing or joint venture. Much of sunny Italy is considered prime territory for exploitation of this new source of energy and now is the time for entry into the market.

Other promising areas include: electronic components and electronic industry production and test equipment; telecommunications equipment; air and water pollution control systems (given the requirements of recent stringent antipollution legislation); devices for industrial worker protection; and commercial security equipment and systems. Finally, although Italy is a major producer of consumer goods, truly innovative, high-quality items have a potential not fully exploited; these can include electronic games, portable anti-theft devices, some ready-to-wear clothing, stereo equipment, etc.

The licensing route

Although direct U.S. sales volume to Italy has leveled off, the opportunities for licensing, co-production and other cooperative ventures are growing. This is especially true for Italian firms in construction, engineering and telecommunications work in Africa and the Near East. Many other Italian companies engaged in high technology export regularly seek licensing opportunities from the United States and elsewhere. There is, however, some increased resistance to licensing from the United States in those sectors affected by U.S. export control regulations (as in aviation and avionics).

Although the Italian Government's stabilization program has helped to restore some foreign investor confidence in Italy, labor problems and overall uncertainty

continue to keep investment inflow down. Continually rising labor costs and the inability of employers to reduce the workforce when economic conditions demand have been recognized as significant inhibiting factors by government, industry and some labor leaders, but potential investors await evidence of genuine progress toward resolving these problems before making commitments.

SIGNS OF IMPROVEMENT BECOME MORE APPARENT IN SWEDISH ECONOMY

The casual reader of the world press must by now have concluded that the Swedish economy is on its last legs. From its vantage point in Stockholm, however, the U.S. Embassy sees clear signs of improvement.

The Embassy reports that even the pernicious rate of inflation, above 10 percent for the last four years, shows signs of a deceleration. Although the annual rate of increase in the consumer price index reached 14 percent in February of this year, 3 to 5 percentage points of that figure were directly attributable to devaluation of the krona and 1 to 2 points to indirect tax increases.

Meanwhile, labor costs are growing at a much more moderate pace than in the immediate past. In 1976, the rate of increase in the total wage bill had dropped to 13.8 percent. In 1977 the figure for industrial workers was only 10 percent. Some 3.5 percentage points of that total were due to increases in "social charges" (as a percent of wages and salaries) levied on employers. In 1978 there will be no increase, as the government has acted to remove the remaining 2 percent payroll tax, thus offsetting other increased social charges. Based on a recent private sector settlement which provided for only 1.9 percent increase in hourly blue-collar earnings, it is entirely possible that total labor costs will go up by only 8 percent or even less in 1978.

After marked stagnation in the past three years, productivity is likely to increase by from 2.5 to 5 percent. If productivity increases by 3 percent or more, then unit labor costs could well increase by only 4 to 5 percent. The government has also required that all plans for price increases by firms with more than 5 employees be submitted to the Price and Cartel Office one month in advance.

As cost pressures abate, and demand remains weak, it is entirely possible that the rate of inflation will be 8 percent or lower, on a year-on-year basis, by December. This does not mean the consumer price index for 1978 will be any less than 11 percent above the 1977 average. It does mean, however, that the government's chances of holding the rate of increase between February and December at under 7.25 percent are good. This rate is critical because if it is exceeded the recently negotiated collective bargaining contract would be reopened automatically instead of running until late in 1979. By coincidence, national elections are scheduled for September 1979.

Cost developments augur well for an improvement in Sweden's external balance. Price inflation for Sweden's manufactured exports, which leaped upwards to 22 percent in 1974, slowed to 6.5 percent in 1977. Devaluation (twice in 1977) will result in an effective value of the Swedish krona against the currencies of Sweden's principal competitors about 14 percent lower than the 1976 average. The krona is now 25 percent less expensive than the DMark and some 40 percent cheaper against the yen, as compared with 1976. According to government calculations, the combination of devaluation and slow increases in unit labor costs meant that relative export prices declined by 4 percent in 1977—they went up 3 percent in 1976 and 11.5 percent in 1975. In 1978, the improvement could be as much as 5 percent overall and 9 percent for manufactured goods.

Improved price competitiveness should allow Swedish exporters to begin gaining back market shares lost in 1976 and 1977. In fact, this already seems to be the case. Export orders turned upward in November of last year, and are increasing slowly but steadily. Furthermore, this upturn in demand has taken place despite the fact that external demand does not yet favor Sweden's export mix and without any acceleration of growth among Sweden's primary trading partners. If industrial investment and construction continue to improve in the United States, the United Kingdom, and elsewhere in Western Europe, Sweden should see further improvement.

Welcome news

This is welcome news, especially when combined with the fact that Sweden registered a trade surplus of 1.2 billion kronor in the first quarter of this year. (Surpluses were also registered in November and December, but those were primarily due to adjustments in leads and lags following the August devaluation.) Exports should continue to grow by at least the first quarter rate of 11 percent by value throughout 1978. Although imports are not likely to drop by 5 percent, as they did in the first quarter, continued slackness in growth of domestic demand and reduction of excess inventories will keep import demand from rising rapidly. The Embassy reports that it would not be surprised to see the year ending with a trade surplus, for the first time since 1973.

A trade surplus will, of course, only go part way toward balancing the now traditional losers in Sweden's current accounts balance. The tourism deficit will not be reduced by a 100 kronor per person tax on charter trips, and development aid will be maintained at around 1 percent of GDP. Moreover, interest payments on past foreign borrowings will become sizable this year. Shipping earnings may recover somewhat, but Sweden will still be left with a services and transfers deficit in the neighborhood of 12.5 billion kronor. With a trade surplus of Skr 2 billion, the Swedes would end up with a current account deficit of only 10 to 11 billion kronor. Such a result would mean the economy is well on its way to balance by the mid-1980s, the government's goal.

Although the relatively optimistic forecast above is based on real growth in Sweden's industrial markets of 4 percent or more, and could easily be too optimistic on that score, the basic point is that a turning point has been reached, and Sweden's external accounts are moving toward balance.

Meanwhile, back on the home front, price effects of devaluation and increased indirect taxes, a slowing in growth of wages and salaries, drawing down of inventories, and slack investment demand resulted in a decline in total domestic demand of 3.5 percent in real terms in 1977. Industrial production, which has been declining steadily since the first of 1975, dropped another 4.5 percent in 1977, to approximately the same level of output as 1973. Real GDP dropped by 2.5 percent last year.

In 1978, some real growth in GDP is likely but domestic demand will remain slack. Private consumption is likely to drop even more than it did in 1977. Earnings in 1978 are expected to grow around 10 percent. After allowing for downward adjustments in income taxes and slightly lower increases in transfer payments than in previous years, disposable income is expected to rise by less than 9 percent. With prices rising at an 11 percent average, this means that real disposable income will decline by 2 percent. Last year consumers saved almost 11 percent of their earnings as opposed to a more traditional rate of around 8 or 9 percent. In 1978 they will attempt to protect their real standard of living somewhat by saving less. In that case, private consumption in real terms will be about 2 percent less than in 1977.

Investment prospects are even more dismal than private consumption. Much of the capacity installed as a result of sizable investments in 1975, 1976, and even 1977 is now lying idle. Firms are far more interested in consolidation than expansion. Extremely low profits, stagnant domestic demand, excessive inventory, and low liquidity ratios will act as strong deterrents to private investment. According to some surveys, industrial investment will decline

by as much as 15 percent during 1978. The government has already acted to stimulate the depressed construction sector and forestall an incipient housing shortage. In the last few years, fewer than 60,000 dwelling units per year have been constructed, as opposed to an estimated need of 70,000 and to the 110,000 constructed in 1970. Only around 1 percent of available apartments are now empty. Instead of declining by over 6 percent, as in 1977, the Embassy expects to see the volume of housing investment in 1978 increase by around 5 percent. If the public sector grows by 3 percent in volume, as projected, total investment would decline by 2 to 3 percent. In fact, some improvement is likely toward the second half of the year as export demand picks up. It is conceivable that industrial demand will drop by no more than 5 percent, and total investment by no more than 1 percent.

Inventories will continue to decline in 1978 from the artificially high levels of 1976 and early 1977. The effect on GDP will be negative to the tune of around 1 percent of GDP. The only positive element in the domestic picture is public sector consumption, which is projected to grow at almost 3 percent. Central government spending will actually decline in real terms, but this will be more than compensated by a volume increase in local government spending of 4.5 percent. Putting exports into national income account terms—a real increase of around 5 percent — and adding up the total, real GDP should grow by slightly less than 1 percent in 1978.

Despite a projected central government deficit of at least Skr 33 billion in FY 1978/79, the total public sector deficit is only around 3.6 billion, thanks mainly to sizable tax collections for local government. The smaller figure also includes the surplus of social security receipts over expenditures. If loans financed via central government budget are included (12 billion kronor in 1978/79), the inclusive public sector deficit could be estimated at around 15.6 billion kronor. This is not excessive, in view of the state of domestic demand and the government's commitment to full employment.

The government has also proposed to drop the 2 percent payroll tax, one of a variety of "social charges" which are now levied on employers as a percent of their wage and salary bill, on July 1. This would cost the budget about 3 billion kronor in revenue, but the stimulation which would result could mean increased revenues which would offset as much as half of that loss.

Other proposed policy changes are a subsidy for employers who increase employment (as much as 12,000 kronor per worker in the third quarter of 1978, 8,000 per worker in the fourth, etc.); and a plan which would allow savers to deduct part of amounts saved (and interest earned) from income taxes due.

Monetary policy has been eased very slightly this year, by dropping the long-term rediscount rate from 8 to 7 percent in two stages. The government will continue to discourage lending for consumption, to encourage longer term borrowing for investment, and to require many firms to borrow abroad (as an offset to the current account deficit). Should the public sector deficit contribute excess liquidity to the economy, the Central Bank is prepared to step in with neutralizing action.

Dollar devaluation in comparison to the currencies of such principal competitors as the West Germans and the Japanese will allow U.S. exporters to offset a good part of the effects of slow growth of domestic demand. The slowdown domestically will have primary impact on nondurable goods, which may decline by as much as 10 percent in volume under 1977. Automobile purchases alone will probably drop by over 10 percent, though this would be a better result than the 1977 decline of 23.3 percent. Investment goods will not do well at all in the first half of the year, but should experience a mild upturn in the second half. Construction equipment and material will offer the best prospects, but labor-saving machinery will continue to be in demand.

Looking at specific areas

Looking at specific export product areas, the U.S. Embassy in Stockholm sees the following trends.

Data Processing Equipment: Miniature data processors and highly sophisticated peripherals manufactured almost exclusively in the United States are winning an increasingly dominant position in the market. Based on preliminary 1977 statistics, the market share has increased (from 30 percent about four years ago) to 50 percent.

U. S. suppliers of electronic data processing equipment should note that next year, in Sweden, the U.S. Department of Commerce will sponsor a pavilion at the DATAKONTOR 79 Trade Fair. This major exhibition will be held at the International Fairs and Congress Center, Stockholm, Sept. 27-Oct. 4. The U.S. sector will feature computers and related peripheral equipment. For additional information contact the Country Specialist for Sweden, U.S. Department of Commerce, Washington, D.C. 20230; tel. 202-377-4601.

Printing and Graphic Arts Equipment: The United States is supplying about one-fourth of this market while West Germany supplies one-third to one-half and Britain and Switzerland about one-tenth or less each. These supply relationships change from year to year as the type of equipment purchased varies; U.S. exports do particularly well in computerized photocomposition equipment and web-fed offset presses. American equipment is expected to continue to do well as the market increasingly shifts to in-house printing products and phototypesetting equipment for small print shops.

Communications Equipment and Systems: These U.S. exports to Sweden have had very strong growth during the last five years. Exports in 1976 totaled $16.7 million, with the following breakdown: data communication devices $2.1 million, telephone and telegraph equipment $5.1 million, mobile radio communications $2.2 million, TV and radio broadcasting equipment $3.8 million, microwave and other transmitting equipment $2.4 million, alarm and signal systems $1.0 million. Preliminary figures showed steady increases in 1977 with the strongest growth in data communication devices, which doubled to over $4 million, and in alarm/signal systems, which also doubled, to over $2 million.

Construction and Materials Handling Vehicles: U.S. exports of industrial vehicles grew substantially from 1973 to 1976, but fell back to 1975 levels in 1977. This drop was not unexpected since construction investment began declining in real terms in 1976 and fell noticeably in 1977. Recovery should begin late this year.

Other Product Categories: Other product categories that have been showing good growth in recent years for U.S. exports include machining centers and specialized machine tools and building materials. In all of these areas the indications are that American products are becoming more competitive at the same time as the Swedish market is in a slump.

Looking at all product groups, there are clearly areas where American manufacturers would improve their sales opportunities in Sweden by taking immediate measures. Lack of attention in these areas will in the near future create a marketing disadvantage, if this has not already occurred. The Embassy recommends that U.S. suppliers shorten delivery times of initial orders and replacement parts, pay particular attention to the safety and comfort of equipment operators, and go metric.

On the financial side, demand for investment money will remain fairly low in 1978, but the Central Bank will continue to insist that a large part of borrowing by domestic firms be carried out in foreign markets. The Embassy does not anticipate another $1 billion "blockbuster" which initiated the Swedish Government's foreign borrowing in 1977 (in all, 1.6 billion U.S. dollars, 450 million DMarks, and 400 million Swiss francs). The government will probably continue to borrow smaller amounts through the year, however. No unrest need be anticipated in foreign exchange markets, but should such develop, the government has ample reserves on hand to meet any wave of speculation.

U.S.-SAUDI TRADE GROWS DESPITE LEGAL OBSTACLES, REPORTS OF OVERPRICING

Despite misgivings regarding the immediate past and future potential effects in U.S.-Saudi trade posed by U.S. anti-boycott legislation and tax laws, our exports to Saudi Arabia continue to grow. From a total of $835 million exported to the Kingdom in 1974, $1.5 billion in 1975 and $2.7 billion in 1976, U.S. exports in 1977 totaled $3.6 billion (f.a.s.).

Joseph O. Eblan, Commercial Counselor at the U.S. Embassy in Jidda, reports that it is difficult to say precisely what the level of trade would have been without the so-called roadblocks. As far as U.S. anti-boycott regulations are concerned, Saudi officials and private circles have accepted positive language on matters relating to secondary or tertiary boycott aspects. Saudi perception and understanding of U.S. trade policy objections to trade penalties imposed by the Arab League on U.S. firms that deal with other U.S. firms has grown measurably.

Tax problem

On the other hand, U.S. tax reforms which affect Americans and their parent firms, generally contractors, working overseas are less understood. The problem involves the costs which U.S. firms bidding on construction and other services must add to their bids to cover abnormally high income tax liabilities of their employees arising from the high rental allowance and perquisites necessary to induce American employees to work in Saudi Arabia. Loss of contracts due to the necessarily higher bids of U.S. contractors has been hurting U.S. exports of goods that would have been imported directly by contractors. It now appears that the imposition of the expatriate provisions of the U.S. Tax Reform Act of 1976 will be delayed a second time and will not apply to 1977 income.

With this hopefully permanent change, the easing of the anti-boycott problem, and the high Saudi demand for U.S. products and technology, Eblan looks forward to an increase in the volume and value of U.S. exports to Saudi Arabia.

Last year was a lull period for Saudi Arabia compared to the frenzied commercial activity of 1975 and 1976. During the year, however, many large contracts were awarded which will have favorable trade repercussions for the current year. A billion-dollar construction contract for the King Khalid City project was awarded to a U.S. firm, an American consortium won the tender for the $444 million Microwave Communications contract, and another U.S. firm is participating heavily in the $726 million Jidda Phase IV desalination project. Altogether, from April 1977 to April 1978 U.S. firms won tenders for about $5 billion in major construction and engineering projects, in addition to the many mid-range and smaller contracts won by U.S. design firms and consultant engineers. All of this activity bodes well for an increase in U.S. trade.

The areas for expansion in trade are varied but there are specific fields which should show definite growth in the coming year. The first is institutional and residential furnishings. Present and fixed Saudi plans are for construction of over 1.5 million square meters of building and residential floor space. Orders and tenders for furnishing these buildings should increase significantly in 1978. An independent private U.S. company has estimated that household furnishings expenditures in the next two years will amount to $2.6 billion. Institutional furnishings for new ministry buildings, hospitals, hotels and university expansion should raise this to nearly $3 billion. Among items with high priority are air-conditioning and fire safety control equipment.

As the Saudi Government implements its plans for construction of major hospital facilities for which several recent projects have been awarded, there will be a concomitant increase in trade opportunities for health care equipment. An interesting phenomenon in this field is the growth in the number of private hospital ventures by entrepreneurs seeking clientele from the expatriate community. In addition, several of the larger foreign contractors, individually and in consortium with others, are seriously considering construction of private hospitals and clinics for their employees.

Construction in progress at the new Jidda airport now estimated to cost some $4,500 million, and plans for major airports at Riyadh, Dhahran, Jubail and at some 20 other locations, including the heretofore prohibited environs of Mecca, provides excellent opportunities for the sale of avionics ground control equipment, operating equipment, and airport maintenance materials. Passenger and baggage handling equipment such as conveyors, customs control furnishings including security screening equipment, electronic information equipment and airport communications equipment will be in heavy demand.

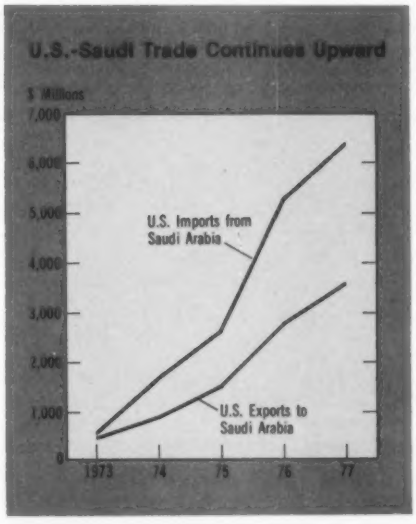
The addition of some 660,000 new telephone lines in a modern network in the next two years as a result of the award of the major $3,500 million-telecommunications project, as well as earlier awarded projects for the huge telecommunications backbone project, will create much demand for residential equipment as well as institutional switchboards. It is estimated that many subcontracts will also be awarded in implementing these projects. Already a Korean firm has won a $700 million construction contract for the large award winners. Expansion of telex lines also will be a stimulus for U.S. exports. U.S. manufacturers and suppliers should concentrate for the immediate future on getting Saudi agents and dealers.

Tenders have just been awarded for the 800-mile crude oil pipeline to Yenbo. Informed observers state that highly technical and modern pipeline communication equipment will be required.

Educational and classroom equipment should have excellent sales prospects, since the most rapid change in Saudi Arabia's economic and social structure has been the dramatic increase in student population. With the added factors of female and adult education there is great impetus to U.S. export prospects in this field. Lack of sufficient native teachers and increasing difficulties in recruiting qualified teachers from abroad present wide opportunities for U.S. firms specializing in mass education techniques. Closed-circuit video instruction and other forms of audio-visual education methods adaptable to the Arabic language appear to be a necessity.

Recently, the Ministry of Finance announced that Saudi Arabia's Second Five-Year Plan is now expected to cost $200,000 million instead of the $143,000 million estimate of 1975. Whatever the reason, and inflation is probably the main cause, the announcement signifies Saudi intentions to continue with implementation of the plan well past 1980, its last official year. At the same time, the government has announced that the Third Five-Year Plan, 1980-85, is now under preparation, with emphasis on industries to support those targeted in the current plan.

One problem regarding U.S. trade has recently surfaced that may have serious effects on the immediate future level of U.S. exports—overpricing. Many Saudi firms have complained that American suppliers tend to inflate price quotations. The inflated price quote may be successful in the beginning but sooner or later Saudi firms discover the overpricing and decide to cancel all further trade. Saudi firms are



CHALLENGE IN SAUDI ARABIA — *Cable is laid for a Bechtel camp at the Jubail Industrial Complex, where an ancient area on the Arabian Gulf will be transformed into a center of industry.*

getting more sophisticated as their trade increases and it is not unusual to see Dun and Bradstreet reports on desks of managing directors. Unlike many European firms requesting trade offers, Saudi firms rarely submit these as price-shopping exercises. Some examples of overpricing are wall-to-wall carpeting quoted at $18 a yard f.o.b.—U.S. which are advertised in the Sears catalog at retail for $12. Another firm quoted the Saudi purchasers of a $10 million industrial installation a price of $10 for electric fuses. The Saudi firm discovered that the Japanese equivalent was on the local market for $3.50 for a box of 10, again a retail price. Now the firm is seeking spare parts from other sources.

The notion that Saudi Arabia is a bonanza land where any price will sell should now be dispelled. Even the wealthiest Saudi firm is antagonized by intentional overpricing. Saudi firms are tending to check prices more carefully. U.S. firms inflating prices for goods in high demand will lose this market entirely. The U.S. trader is not alone in this practice.

Another possible problem area for U.S. trade is the government's trend to favor official purchases and service contracts through Saudi merchants and agents. The trend is getting stronger and U.S. firms should consider appointing Saudi agents with particular regard for the huge purchases of a variety of goods and services by the government. Only a local firm or a foreign firm based there can participate in official tenders unless specifically invited by the government. Despite the recent Agencies Law which limits commissions on government purchases to 5 percent, Saudi dealers who purchase goods on their own account for resale to the government are limited in profits only to the amount of the winning bid or the profit margin selected for direct sale.

IVORY COAST IS FINDING THAT ECONOMIC SUCCESS CAN SPAWN PROBLEMS

Ivory Coast has been remarkably successful in the creation of stable political institutions and a mixed economy capable of sustained growth. Benefitting from large inflows of foreign capital, technology and manpower, the West African country has maintained an average real growth rate in excess of 7 percent since its independence in 1960, according to the U.S. Embassy in Abidjan.

This growth reached boom proportions in 1976-77. Record earnings from coffee and cocoa exports generated much of the income necessary to finance a highly ambitious five-year development plan. At the same time, the Ivorian Government took advantage of its favorable credit rating to tap international financial markets for supplementary project financing. The government investment budget tripled in size in two years and foreign debt increased almost as rapidly. Expansion is apparent throughout the Ivory Coast, spanning agricultural diversification, creation of export industry, infrastructure development, and school and hospital construction.

As it moves through 1978, the Ivorian Government faces a need to reduce the momentum of the investment program built up during the past several years. The strategy adopted in 1977 may not be sustainable over the long term as last year's enormous trade surplus will not soon recur. This year, cocoa and especially coffee prices are substantially below last year's peaks, and, although the 1977-78 Ivorian cocoa crop is expected to be a record 285,000 tons, the coffee crop is down 35 percent from 1977 due to a shortage of rainfall during the 1977 flowering season.

The Ivorians must also begin to exercise restraint in responding to the offers of commercial loans which continue to pour in from international banks flush with petrodollars and anxious to establish a foothold in the nascent African market. Over the past two years, debt service has increased from 9.3 to 12.4 percent of export of goods and services in spite of a tremendous increase in export earnings. As repayment of the large new loans incurred most recently begins to fall due, this ratio will continue to rise quickly. If Ivory Coast continues to borrow at 1976-77 levels, the debt service ratio could reach 25 to 30 percent in the next three to five years.

The Ivorian Government is aware of the potential problems and is contemplating action to avert them. An extensive reform effort initiated last July is aimed at increasing efficiency in government agencies. There is evidence that this effort includes a rethinking of some of the more extravagant projects in the development program. However, even if the necessary decisions are taken, there may be an extended lag before they take effect due to the long lead times involved in implementation of an integrated development program.

The initial 1978 Ivorian Government investment budget, with funding of $913 million, is almost as large as 1977's $950 million. It calls for a larger amount of foreign borrowing ($360 million as opposed to $211 million in 1977). Furthermore, there are indications that it will have to be amended at mid-year to provide additional funding for projects already in the pipeline.

Inevitably, there is also a continuing flow of proposals for new projects (to cite a major example, a Canadian firm is currently working on a plan to exploit nickel deposits in the northwestern region of the country, a project which could cost over $800 million). It is rumored that the Ivorians are cancelling some of the loans for which they obtained commitments in 1977. However, 1979 will be the first year in which they will have the opportunity to make significant cuts in their spending.

As it reaches the mid-point in its implementation of the 1976-80 development plan, the Ivorian Government can be satisfied that substantial progress has been made in fulfilling the overall objectives of the plan even though there has been considerable juggling of the specific projects undertaken. This plan, calling for a volume of investment much larger than that of its predecessors, aims at achieving a decisive step forward on the road to self-sustaining growth for the Ivorian economy.

Major plan objectives include:

- modernization of agriculture and of rural life in general;
- establishment of a diversified, export-oriented, industrial sector;
- accelerated development of the less privileged regions of the country;
- acceleration of Ivorianization, while at the same time maintaining a favorable climate for foreign investment;
- governmental and educational reform, and national cultural development.

Agriculture remains the foundation of the Ivorian economy and the mainspring of its growth, providing directly or indirectly a livelihood for 75 percent of the population and almost as large a percentage of export earnings. Coffee and cocoa remain the big money earners among the commercial crops, and the government is continuing its program of incentives to plant new and better strains of cocoa and, to a lesser extent, to improve the quality of Ivorian coffee. Nevertheless, in the current and previous development plans, emphasis has been placed on two areas: diversification of commercial crops and increased production of staples leading to eventual self-sufficiency in foodstuffs. Of the two, diversification has been the more ambitious and successful. Palm oil, cotton, pine-

apple and now sugar are the major new export commodities which the Ivory Coast has developed. Of these, palm oil has the most spectacular record, with Ivory Coast going from a net importer to the world's third largest producer in just over a decade. Pineapple exports for 1977 are estimated at 58,000 tons of fresh fruit and 72,000 tons of canned products, making Ivory Coast one of the largest pineapple exporters in the world.

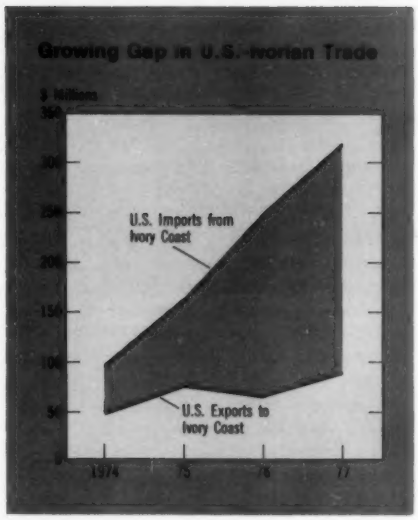
To promote self-sufficiency the government launched several programs in the early 1970's to stimulate the production of staples, especially rice. For a variety of reasons, the programs have had limited success and have to some extent caused distortions in the marketing system. The government is currently reviewing its policies in this area.

Ivory Coast's industrial development program, as presented in the five-year plan, calls for progress toward the establishment of a modern, competitive and increasingly self-sufficient industrial sector which will reduce Ivorian dependence upon the vagaries of agricultural production and prices. A major part of this program is the creation of the infrastructure and basic industries which constitute the building blocks of downstream production.

The plan allocates large sums to improvements in all modes of the transportation system and to hydroelectric dam construction. The single largest project in the plan was to have been development of the Mt. Klahoyo iron ore mine, a $2-billion project which would have boosted the value of Ivorian exports and provided the basis for creation of a steel industry in Ivory Coast. Other important projects, such as the San Pedro paper pulp mill and sugar mills, would have increased the value added to Ivorian agricultural production.

The success of the industrial development program depends in large part upon the equity participation of private, particularly foreign, investors. However, the public sector is increasingly outdistancing the private in the extent of its investment activities. The Ivorian Government has found that, while it is not difficult to find foreign enterprises willing to invest in small-scale import substitution enterprises in Ivory Coast, the attraction of the Ivorian economy when it comes to establishment of the large-scale export-oriented industry emphasized in the five-year plan is not so strong.

It is increasingly likely that the private sector will fall short of the goal of $3.3 billion in investments set for it in the plan. However, this is in large part explained by the decision of the Mt. Klahoyo consortium participants to shelve the project indefinitely due to the current depressed condition of the market for iron pellets. In addition, the Ivorian Government may proceed with the paper pulp mill without



foreign equity participation, a decision which would add significantly to its own financing burden.

Overall, despite the postponement or cancellation of some of the large projects included in the five-year plan, investment spending is running at a rate higher than anticipated in the plan. Many new projects have been added to the investment program and actual costs of projects have often exceeded initial estimates. (It now appears certain that the debt service ratio in 1980 will exceed the 13 percent ceiling forecast in the plan.) The appropriation of large sums for the construction of some expensive schools and hospitals over the next few years confirms that the Ivorians are now beginning to feel they can afford some projects which, while less productive economically, will improve the social welfare of the country. At the same time, a few other projects, such as construction of the sugar mills in the north and of international airports at both Bouaké and Yamoussoukro are of more doubtful utility to the country. It is projects of this nature which will presumably be subjected to renewed scrutiny in the Ivorian Government's current reevaluation of its investment program.

France has the largest share of foreign investment in Ivory Coast, is its largest supplier, and has assumed the major responsibility for assisting in development. President Houphouet-Boigny has said publicly that though the Ivory Coast would never abandon or forget old friends, it does not wish to be a private French "game preserve." The old ties exert a strong pull, but Ivory Coast welcomes American investment, trade, service contracts, technical know-how and aid.

Ivory Coast's investment laws are among the most liberal in the world. Virtually any foreign firm can qualify to do business in this country simply by registration. Prior approval is required only in the case of a few restricted fields (for example, certain foodstuffs, processing of local agricultural commodities, finance, transportation, and public utilities) or if the benefits of duty and tax concessions are sought. A new investment code currently being drafted will provide specific incentives for export-oriented industries. The currency is freely transferable abroad.

Existing U.S. direct investments in Ivory Coast total about $100 million and are largely in petroleum distribution, banking, insurance, textiles and garments, dry cells and chemicals, and household products. Moreover, because Abidjan has become a commercial, financial and communications center for West Africa, more than 100 American firms have established regional offices there to market goods and services throughout West Africa. Service organizations have also located there; one American law firm and three American accounting firms. To all this investment exposure must be added many millions of dollars in intra-company short-term credits and receivables and perhaps $500 million in medium and long-term bank lending, primarily to the government.

The U.S. share of the market is 13.1 percent, if only direct exports from the United States are counted, but there is, in addition, a greater or equal amount of goods shipped from U.S.-owned factories in Europe. Opportunities for direct exports of industrial goods over the next three years are likely to be greatest in energy systems, building and construction supplies and equipment, communications equipment, and agricultural machinery. In the consumer goods field, processed food, toys, housewares, cosmetics, auto accessories, and phonograph records are likely to sell well.

The chief hindrance to incremental U.S. sales has proved to be Ivory Coast's ties with European firms plus the unwillingness of U.S. exporters to adapt their paperwork and shipping systems to the peculiar requirements of this market and to take pains to respond quickly to inquiries and other correspondence. When American exporters are adaptable, they have been able to introduce new products supported by modern American advertising and promotion techniques.

Security Exhibition In Lagos

U.S. firms are invited to participate in an international exhibition of protection, loss prevention and control equipment at the Eko Holiday Inn in Lagos, Nigeria, Aug. 21-25. Firms from the United Kingdom, France, Switzerland, Austria and Brazil, among others, will be exhibiting their products and presenting seminars on fire and crime security, in a country which represents a booming market for such products and services.

Interested firms should contact: HERMAC Organization and Methods, 360 Herbert MaCaulay St., P.O. Box 7010, Lagos.

SLACK DOMESTIC MARKET INHIBITS DUTCH GROWTH; U.S. IN FAVORED POSITION

Expectations last year for an early recovery of the Dutch economy were not realized. Weak external demand for Dutch products left vital industrial sectors with surplus capacity. The modest 2.5 percent real growth of GNP was the result primarily of favorable domestic demand. Although unacceptably high, the unemployment and inflation rates declined to among the lowest in the OECD, adds the U.S. Embassy in The Hague.

This year, triggered by the anticipated cyclical recovery of some of the Netherlands' major trading partners, external demand is expected to rise but the domestic market should lag behind. The expected result is another year of slow growth. Employment is not expected to improve, but inflation should drop below 5 percent.

The latest OECD economic survey of the Netherlands concludes that the best that may be expected is that the marked slowdown in domestic demand in the latter part of 1977 will not continue and that the export market share losses will be partially regained. Nevertheless, the export markets themselves will continue to grow at a below-average rate.

The OECD recommends, therefore, that the expansionary nature of domestic economic policy be maintained or reinforced for two reasons: first, that any growth of GNP significantly below 4 percent risks aggravating unemployment and, second, that for the benefit of the OECD as a whole, countries such as the Netherlands with a strong balance-of-payments position and relatively low inflation should maintain adequate rates of domestic demand growth.

Another forecast, by the Netherlands Central Bank, holds that the inflation rate will decline to between 4 and 4.5 percent in 1978, allowing the downward trend in Dutch interest rates to be maintained.

Policies of the new government

Although parliamentary elections in May 1977 brought substantial gains to the socialist Labor Party, efforts to continue the Labor-led center-left government collapsed. In December, the middle-of-the-road Christian Democratic Appeal and the smaller, more conservative Liberal Party formed a center-right cabinet. The new coalition has a majority of only two seats in the lower house of parliament, but its cohesion was strengthened by provincial elections in March, when the Christian Democratic Appeal overtook Labor as the country's largest party.

To date the new government has operated largely with its predecessor's programs. The 1978 budget, published last September, was a stand-pat budget reflecting the last government's caretaker status. Nevertheless, it contained a 1.1-billion guilder package of corporate and individual tax relief reflecting the concern of all parties with the plight of the economy. Subsequently, in late October, when conditions were still deteriorating, the caretaker government supplemented the budget with a 2.5-billion guilder package of measures to create work, support individual companies and ease the burden on taxpayers by delaying planned increases in taxes.

The government is now placing its own, conservative stamp on economic policies. Most noteworthy is the decision to change drastically a measure to distribute corporate excess profits among workers. This measure has been opposed by business, including the American Chamber of Commerce in the Netherlands.

The new government divided the previous government's proposal into two bills. The first, presented to parliament in late April, is a form of profit-sharing not dissimilar to that which individual employees obtain from many companies in the United States. A major change enables U.S. investors to deduct the planned distribution of excess profits from U.S. taxes. The second part of the legislation, to be presented later, would create a common fund for all Dutch workers to be administered by trade unions. Other measures the government inherited from its predecessor cover land use, the relationship of management and workers in works councils and, finally, government incentives for private investment.

The most important indicator of the government's orientation will be its budget review and macroeconomic projections through 1982. After years of expansion of the public sector in absolute terms and relative to national income, the last government decided that economic health demanded that the growth of public sector revenue as a percentage of national income be reduced to one percentage point a year. Even the socialist members of that government recognized that full employment depended on a recovery of private investment. The planned reduction of public sector growth may not, however, be enough to avoid a sharp rise in unemployment by 1982. The current government may have to consider a further cut.

Other, structural reforms may be beyond the government's power. These would include lowering labor costs, increasing industrial productivity and phasing out weak business sectors. Pressures for job and social security would make such restructuring difficult even for a government with more parliamentary support.

The outlook for U.S. exports to the Netherlands continues favorable. They amounted last year, according to U.S. statistics, to $4.72 billion (including reexports), a 3 percent increase over 1976. It should be noted that, although small relative to the performance over the last several years, the figure may have been influenced by the U.S. dock strike last fall. Before that, at mid-year, U.S. exports to the Netherlands were running almost 15 percent above the same period in 1976.

Despite the modest projected increase in 1978 Dutch economic growth, many signs favor the U.S. exporter. Government programs to restructure industries, stimulate employment and reduce tax burdens should take effect in 1978. The appreciation of the guilder against the dollar makes the price of American products competitive in many sectors. American products on the whole enjoy an excellent reputation in the Dutch market for quality and advanced technology.

The U.S. exporter should bear in mind, however, that the Dutch businessman is a sophisticated, active and efficient trader who expects the same service, support, prompt attention to inquiries and access to supplies as a domestic U.S. customer. Also, competition from industrial countries, particularly West Germany, France and the United Kingdom, is strong.

Among U.S. industrial manufactured goods exported to the Netherlands, sharp increases were shown in 1977 by statistical machinery, electro-medical apparatus and parts excluding x-ray, electron tubes and parts, photo and motion picture equipment, still cameras and flash apparatus, photo and motion picture equipment and parts, medical instruments except electromedical, and photo film and plates. Other product exports showing significant increases were gas turbines, office machinery, printing and bookbinding equipment, nonelectrical machines, electrical apparatus for making electrical circuits, x-ray and radiological apparatus, passenger cars and trucks, measuring-control instruments, children's toys, musical instruments and furniture.

In 1978 and 1979, U.S. exports to the Netherlands should increase 10 percent a year. The best sales opportunities will be for goods exhibiting high technology and systems that save labor. The latter feature

Sperry Gets Dutch Contract

A new vessel traffic control system for the Port of Rotterdam is being designed by the Sperry Rand Division of Sperry Rand Corporation under a $1.2 million contract with the Municipality of Rotterdam.

The contract calls for Sperry Systems Management, an operating unit of the Sperry Division, to design an experimental system to establish requirements for comprehensive vessel traffic control in the Europort region of the world's busiest port. Specifications for the system's hardware are expected to be developed by early 1979.

is important due to the steady increase in unit labor costs in the Netherlands and the relatively low rate of growth in labor productivity. Sectors of special promise include packaging and food processing equipment, consumer goods, automotive parts and accessories including garage equipment, computers and peripheral equipment, electronic components, pollution control equipment and instrumentation, safety and security equipment, laboratory instruments, health care equipment and business equipment. The U.S. tourist industry should benefit from the upsurge in Dutch interest in travel to the United States, sparked by the relative cheapness of travel to and in the United States.

Other sectors in which the United States should continue strong are chemical/ petrochemical processing and energy systems. Intensified exploration and production of oil and gas will increase needs for drilling equipment. Technology and equipment involving coal gasification and liquid natural gas are also of interest due to major projects in these fields.

Sales of U.S. consumer goods are growing as the Dutch consumer acquires a taste for their high quality and relatively low cost. Leaders include cameras, furniture, housewares, sporting goods and leisure-time products, and consumer electronics and optics.

Direct investment both ways substantially deepens the U.S.-Netherlands economic/commercial relationship. At the end of 1976, the book value of direct investments by more than 1,000 U.S. firms in the Netherlands was $3.8 billion, making the United States first among foreign investors in the Netherlands. Of this amount, investments in the petroleum industry amounted to $1.3 billion, manufacturing $1.7 billion (including $600 million for chemicals), machinery $470 million, primary and fabricated metals $170 million and food products $155 million.

Dutch direct investment in the United States reached $6.2 billion at the end of 1976, compared with $4.7 billion at the end of 1974. The $1.5-billion increase in two years made the Netherlands the largest foreign direct investor in the United States. Indications are that Dutch investment in the United States is continuing at a high level.

Franchise Association Meets In Netherlands

The International Franchise Association will hold its first European International Symposium on Franchising Sept. 17-20 at the Hilton Hotel in Amsterdam. Speakers and discussion leaders will include nearly 20 U.S. and European experts on franchised and licensed distribution. For information contact International Franchise Association, Suite 600W, 7315 Wisconsin Ave., N.W., Washington, D.C. 20014.

AT TRADE COUNCIL MEETING—*Secretary of Commerce Juanita M. Kreps was greeted at the recent meeting in Washington of the National Council for U.S.-China Trade by Ambassador Han Hsu, who heads the PRC Liaison Office in the United States.*

KREPS TELLS OF NEW PEKING BUSINESS OFFICE, SEES PRC TRADE UPTREND

An uptrend in sales of U.S. industrial equipment and technology to the People's Republic of China, as a consequence of that country's plans to proceed with modernization, is foreseen by Secretary of Commerce Juanita M. Kreps.

Total U.S.-PRC trade should almost double this year, topping $700 million, with much of the boost coming from Chinese purchases of U.S. wheat, cotton, soybeans and soybean oil, the Secretary said. She noted a sharp increase in the number of scientific and commercial exchanges, about 30 each way up to the midpoint of the year. Additionally, she pointed out that 40 individual U.S. firms will have engaged in technical exchanges in Peking, compared to only a few last year.

Secretary Kreps also related, in an address to the fifth annual meeting of the National Council for U.S.-China Trade, that the Commerce Department has equipped a room in the U.S. Liaison Office in Peking with a photo copying machine, projectors and other equipment for sales meetings or other business uses. It will be available for U.S. firms by mid-summer.

Mrs. Kreps told the council that she would work to insure that export license applications for goods and technology having national security aspects be handled expeditiously and efficiently. She remarked that an export of equipment to aid China's geophysical research program, originally denied at the working level, had now been reviewed and approved.

(Secretary Kreps returned to the export control subject in a later address at the U.S. Merchant Marine Academy, saying that she was concerned about U.S. tendencies to deny trade as a political gesture. Particularly where alternative sources exist, she commented, such restrictions have the bad effect of transferring U.S. jobs to competitor nations. And bars to trade, she added, can make general links between nations more difficult. She referred specifically to U.S.-PRC relations, questioning whether "anything has been gained for either side" by the long absence of commercial ties.)

The Secretary directed the council's attention to economic goals set by the Chinese in March, including a 4-5 percent annual growth in farm production over the next 10 years, and an annual rise of more than 10 percent in industrial output.

Then she commented: "This commitment to rapid economic development has led to a more progressive Chinese view of the advantages of foreign trade. Indeed, I believe that it would be fair to say that China's success in modernizing its economy will depend partly on its ability to 'make foreign things serve China.'

"China's trade strategy has been revealed through the recent trade agreements the People's Republic signed with Japan, and with the European Community. The eight-year, $20 billion, Sino-Japanese agreement is the more significant and explicit of the two and details a general list of goods to be exchanged—principally Chinese oil and coal for Japanese technology, plant and equipment. Reports indicate that the Chinese also expect significant growth in their trade with the European community."

It is expected that the Chinese will pay for these imports through expansion in the supply of their traditional exports, particularly light industrial products, through larger shipments of crude oil and coal, and through increased tourism receipts.

Multilateral Trade Negotiations

This article is another in a series of progress reports on the multilateral trade negotiations, prepared by the Commerce Department's Office of International Trade Policy.

Ambassador Robert S. Strauss, the U.S. Special Representative for Trade Negotiations, hosted a special conference in Washington June 19-20 with Wilhelm Haferkamp, Vice President of the Commission of the European Communities; Nobuhiko Ushiba, Japan's Minister for External Economic Affairs, and Jacob Warren, Canada's Minister for External Economic Affairs.

These talks underlined the commitment of the U.S., the EEC, Japan, and Canada to achieve substantial trade barrier reduction in the negotiations in Geneva. The four leaders, Strauss, Haferkamp, Ushiba and Warren, clearly considered the conference to be valuable and conveyed an attitude of heightened optimism with regard to the negotiations.

Although the conference did not result in significant breakthroughs in the remaining problem areas of the negotiations, a firm understanding was reached on where each country stood on key issues. In the words of Ambassador Strauss, "we now have in hard and final form an agreement among us as to what the bottom line issues are for each of the constituencies that we represent" and that "compromises now are expected all along the line."

One outcome of the conference was to set a timetable for completing work on various aspects of the negotiations. The negotiators agreed to set June 30 as the target date for completing the various codes of conduct for nontariff measures and July 12 as the target date for working out the agricultural agreement. (For a resume of issues being discussed in the Multilateral Negotiations see "MTN Enters Final Phase", *Commerce America*, April 24.)

These interim agreements are critical to the preparations for the July 16-17 economic summit when representatives of seven nations, the U.S., the U.K., West Germany, Japan, Canada, France and Italy, will meet in Bonn to formalize an overall political conclusion to the Tokyo Round.

International Chamber Unit Issuing Carnets At New San Francisco Office

The United States Council of the International Chamber of Commerce has opened an office in San Francisco to handle increased demand in the western region of the United States for the issuance of carnets.

The carnet is a special customs document which simplifies and streamlines customs procedures on temporary duty-free importation abroad of commercial samples and professional equipment. It is particularly helpful when travelling to a number of countries in one trip and can be used repeatedly during the period it is valid.

According to Neal Sultzer, head of the 'carnet team' for the Council, "We chose San Francisco to better serve our existing customers in the western part of the country, particularly in the Bay area, and hopefully to expand our clientele."

He added, "The basic electronics, computer oriented and entertainment industries on the West Coast are currently among the most substantial carnet users."

Without the carnet, procedures include tariff and excise tax payments not refundable until departure or purchase of a bond for these tariffs and taxes at every customs station. The cost of the carnet is based on the value of the goods being shipped. Carnets are issued promptly to suit time requirements.

Carnets are valid in most industrialized nations and in a growing number of developing countries. For further information write the U.S. Council of the International Chamber of Commerce, at 1212 Avenue of the Americas, New York, N.Y. 10036, or 100 California St., Suite 1100, San Francisco, Calif. 94111.

Ecuador Is Seeking Closer Commercial Ties With U.S.

In an official visit to the U.S. Secretary of Commerce, Ecuador's Minister of Industry and Commerce, Galo Montano, expressed his country's interest in expanding its trade and investment ties with the United States. With the United States presently accounting for 43 percent of Ecuador's foreign trade, and a U.S. investment level of $650 million, Montano emphasized that there still exists room for expansion by U.S. firms.

Ecuador's economic prospects appear to be very good. The stability of the Ecuadorean currency, the settlement of outstanding claims of nationalized oil companies, a return to civilian democratic government this month and a rational approach to international borrowing have all worked to make Ecuador one of the more underestimated markets in Latin America. Record levels of imports ($564 million from the United States in 1977), rational international borrowing, and increasing industrial and infrastructural development all lend to the atmosphere of a growing economy. In turn, the investment climate has improved considerably, with the government's policy toward foreign business (particularly U.S.) being generally favorable and forthcoming.

Promising sectors of the Ecuadorean economy include: petroleum and petrochemicals, hydroelectricity and irrigation, fishing and fish processing, food processing, metalworking and agricultural equipment. Specific joint venture proposals include: containers and beer bottling, asbestos roofing, cosmetics, plastics shaping, small appliances and electrical equipment, and food processing, packaging and canning. Inquiries on these proposals should be directed to Eljuri Cia, Box Letra F. Cuenca, Ecuador.

Latest Commerce Publications Available On Near East/North Africa Region

A Commerce publication for U.S. companies considering business opportunities in the Near East and North African markets is just off the press. The booklet, "A Business Guide to the Near East and North Africa," has been expanded and updated and is now in its third edition. The 90-page guide is designed to provide U.S. business with information on how the immense oil revenues of the countries of the area will be spent, the nature of the market, how to do business there, and how the Department of Commerce can assist in penetrating the market. Summary country data on 19 countries in the region are given. Prepared by the Industry and Trade Administration's Commerce Action Group for the Near East, the guide is available at $2.20 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or through most Commerce District Offices. Similarly available are two other recent publications.

"An Introduction to Contract Procedures in the Near East & North Africa," covers procedures for bidding on, negotiating and executing contracts in 17 countries of the region. Pages, 80; price, $2.20.

"Near East/North African Business Costs," covering 19 countries, is a comprehensive guide to the cost of such necessities as an office, a telephone, and a hotel room or house. Issued in the Overseas Business Reports series as OBR 78-02. Pages, 41; price, 80 cents.

COMMERCE UPDATE
ON THE DOMESTIC SCENE

U.S. FISHERMEN SET RECORD--Value of fish and shellfish landed by U.S. commercial fishermen in 1977 reached an alltime high of $1.6 billion. The amount landed was slightly down from 1976, according to reports to Commerce's National Oceanic and Atmospheric Administration. Total value of U.S. production of processed fishery products, edible and industrial, rose 11 percent to $3.9 billion.

BUSINESS CAPITAL SPENDING PLANS--Business plans to spend $151 billion for new plant and equipment this year, according to an April-May survey by Commerce's Bureau of Economic Analysis. That would be 11.2 percent more than in 1977. The planned spending increase for 1978 is 0.3 percentage points higher than the comparable increase reported in a similar March survey.

RESIDENTIAL UPKEEP EXPENDITURES--Expenditures for upkeep and improvement of residential properties in the first quarter of 1978 were estimated at $6.3 billion by the Census Bureau. This amounts to $32.8 billion at a seasonally adjusted annual rate, or $1.9 billion higher than the comparable figure for 1977's fourth quarter.

GOING METRIC REQUIRES CHANGES--Regulations at all levels of government currently prohibit metric-only packages, Jeffrey V. Odom, the metric coordinator at the National Bureau of Standards, observes in an NBS publication. These laws assist consumer price-size comparability, but are seen as inhibiting the planned national metric changeover. Meanwhile, industries looking toward changeover must choose between "hard" conversion, or re-sizing, and "soft" conversion, or relabeling, Odom observes.

ESKIMO HUNTERS HEEDED WHALE QUOTAS--During the spring hunt for the severely depleted bowhead whale, Alaskan Eskimo whalers complied fully with new international and U.S. quotas, NOAA Administrator Richard A. Frank has announced. Despite strong reservations, and a concern for their traditions and food needs, the Eskimos regulated themselves admirably in the hunt, he said.

NEW HOUSES BETTER EQUIPPED--According to a Census Bureau-HUD report, new one-family houses completed in 1977 tend to be better equipped than their predecessors. Central air-conditioning was built into 54 percent of them, compared to 49 percent in 1976. Those with two or more baths represented 69 percent of the total, compared to 67 percent in 1976. Those with fireplaces rose 3 percentage points to 61 percent.

WHERE THE HOUSING ACTION IS--Rapid growth has taken place in two segments of the housing market since 1970--single family attached units and mobile homes or trailers. The growth was especially remarkable in the nation's rural areas--a 320 percent increase for single family attached units and 97 percent for mobile homes, according to a Census-HUD report. The single family detached house is still the predominant housing type in the U.S.

LOAN GUARANTEE UNDER STEEL PROGRAM--Commerce Department has approved guarantee of a $21,250,000 private loan to maintain operation of steel mills in Georgetown, S.C., and Beaumont, Tex. The approval was made under the Department's special loan guarantee program to assist existing firms in strengthening domestic steel producing capacity. Beneficiary is Korf Industries, Inc., of Charlotte, N.C.

CALIFORNIANS ARE BUSIEST PATENTEES--Of 69,371 patents issued in 1977 by Commerce's Patent and Trademark Office, 6,314 went to Californians, 4,488 to New Yorkers, 3,540 to New Jersey residents and 3,535 to residents of Illinois. But Japanese residents obtained 6,448 U.S. patents, and residents of West Germany 5,654.

FIRST MERCHANT MARINE ACADEMY COED GRADUATES--Presence of 8 women among 245 midshipmen in the 1978 graduating class of the U.S. Merchant Marine Academy means that the Kings Point, N.Y., school is the first of the nation's five Federal academies to graduate female students. Commerce's Maritime Administration operates the school.

Prices, Wages Expected To Rise More Slowly In Second Half

This article was written by Chief Economist Courtenay Slater in collaboration with Staff Economist Thomas Kraseman.

Dr. Slater

Both prices and wages have risen faster so far this year than in the latter part of 1977, leading to fears of a continuing higher rate of inflation. It appears likely, however, that the rates will slacken considerably in the latter half of the year. Even so, for the year as a whole prices are expected to rise somewhat more than last year.

Price and wage movements strongly influence each other, although in the short run the connection is loose. The direct impact of price changes on wages through cost-of-living escalation under union contracts is much smaller than often supposed. Less than one-fourth of all employees are union members; of these, less than one-third are covered by escalator clauses. Furthermore, cost-of-living formulas are generally framed to offset only a part of the price increase, rather than all of it. In most cases, the cost-of-living raise is expressed as the same number of cents per hour for everyone, so that, in percentage terms, lower-paid workers fare somewhat better than higher-paid. In the past two years, only about one-fifth of the total wage increase becoming effective for union workers resulted from cost-of-living escalation. Apart from escalator clauses, however, price increases obviously influence both current union bargaining and the wage increases provided by nonunion employers. These effects generally come much later than cost-of-living escalation.

Increases in hourly wages had begun to accelerate moderately in the late months of last year, and more sharply in the first quarter this year. Since then, however, as shown in the chart, the rise appears to have slowed again. Much of the first-quarter speedup occurred in the lower-wage industries and occupations and in the South, and appears to have reflected the increase in the minimum wage. Total employee compensation in the first quarter was further boosted by the sharp rise in social security taxes.

In 1976 and 1977 the relatively strong productivity gains typical of a recovery period partially offset compensation gains and helped hold down the rise in unit labor costs (see chart). In the first quarter of this year continued growth of employment during a period when real output was not growing caused productivity to decline. Thus the rise in unit labor costs actually exceeded the increase in compensation and reached an extraordinarily rapid annual rate of 17 percent.

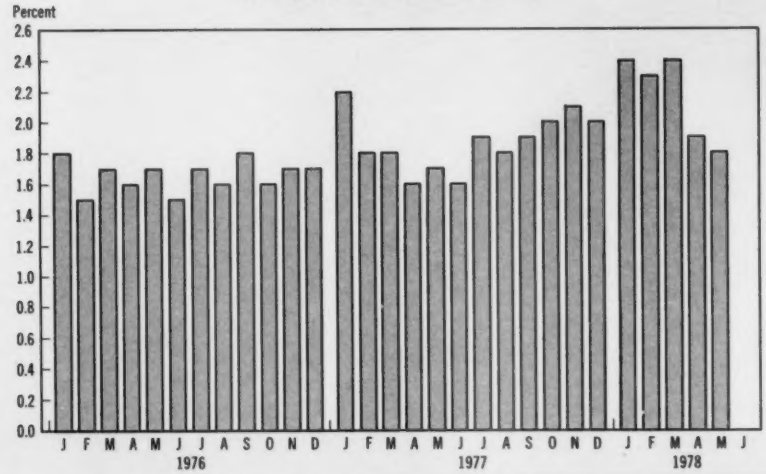
The unusual first-quarter relationships stemmed from a temporary set of circumstances. During the rest of the year wage rates and total employee compensation are expected to rise more slowly and unit labor costs a great deal more slowly, since productivity gains should resume. Increases in the minimum wage and social security taxes will not occur again until next year. Average effective wage increases for union workers should be relatively moderate; 1978 is the "off year" of the 3-year union bargaining cycle, when relatively few major contracts are being negotiated, so that an unusually large proportion of union members will be receiving their second- or third-year increases under multi-year contracts. These are nearly always much smaller than first-year raises. However, the coal agreement, the only major contract settlement so far this year, provided a very substantial raise, and wage demands by postal and railroad workers, now being negotiated, are also relatively high.

It is possible that this year's rise in the hourly earnings index—a fair proxy for nonunion wage increases—will slightly exceed the effective union wage increases. Since 1970, the hourly index rise has exceeded the union increase only in 1972 and 1975, which, like 1978, were off years for union contract negotiations. Even in those years, however, the differences were small.

Price behavior so far this year has to some extent duplicated last year's pattern. In both 1977 and 1978, consumer prices rose at an annual rate of about 10 percent from January through April. During those same months the Producer (formerly Wholesale) Price Index rose at a 13.6 percent rate in 1977, 12.5 percent in 1978. During the second half of last year the rate of increase in the Consumer Price Index dropped by more than half, to 4.7 percent.

Prospects this year again are for a lower rate of price increase in the second half, but the slackening will be less pronounced than last year. In both years, much of the price acceleration occurred in the farm and food sector. Last year, however, the increases early in the year were mainly in soybeans, coffee, and fresh fruits and

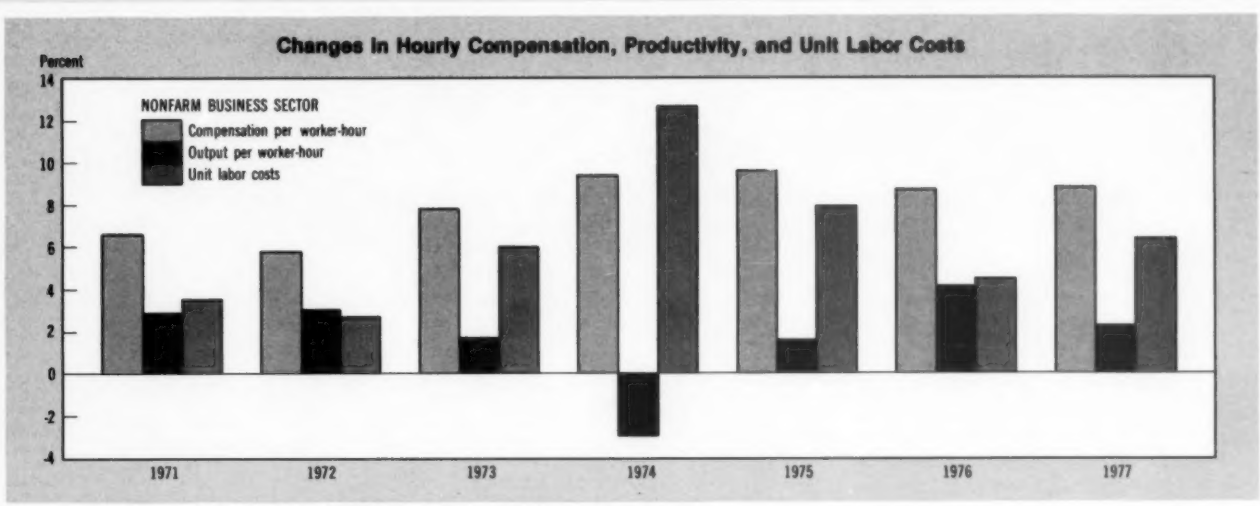
Average Hourly Earnings Index
Change From 3 Months Earlier

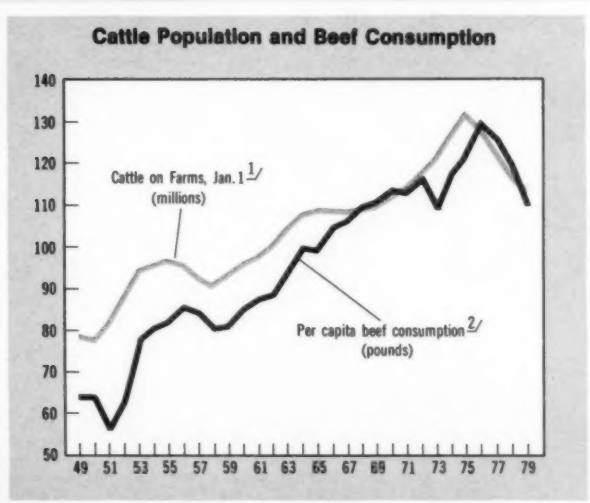


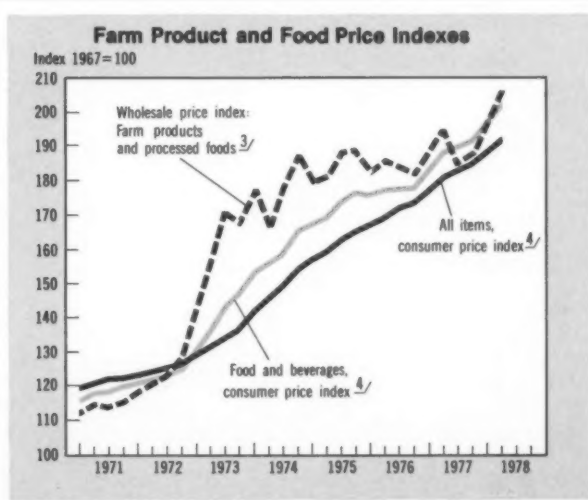
vegetables, with the sharp rises partly due to excessive speculation. In the summer, these prices came down sharply, as did prices of major grains when it became clear that bumper crops were on the way. However, the distress of the farmers hit by low prices has led to actions to restrict planting and increase farm price supports. A repeat of last year's grain price declines is thus most unlikely to occur.

The focus of the farm price increase has now shifted to the livestock sector. The cattle cycle is nearing the herd-rebuilding phase. The Nation's cattle population tends to rise and fall over cycles lasting about 10 years, in response to changes in the profitability of cattle raising (see chart). The extreme rise in feed prices of 1973 and 1974 severely squeezed profits and induced ranchers to reduce their herds, beginning in 1975. For the consumer, the resulting increase in cattle slaughter meant plentiful beef supplies and relatively stable prices in 1976 and 1977, well below earlier peaks. Last year, however, the situation began to change; the sharp drop in feed grain prices, and the drought-breaking rains in the West last winter and spring, restored profits to the cattle business and persuaded producers to begin some holding back of breeding stock. Beef production was down a little last year, and has fallen a bit more so far this year. This decline, but more especially a sharp rise in consumer demand, has induced a much sharper than expected increase in cattle prices since the beginning of the year. At the recent peak in early June, cattle prices were some 50 percent higher than a year earlier. The increase has been so rapid that for the balance of this year a much slower rise or leveling off appears a likely prospect.

However, the outlook for beef supplies and prices for the next few years is bleak. Between Jan. 1 of 1975 and 1978, the cattle population was reduced by 15 percent—one of the largest drops on record—with a small additional decline expected this year. The impact of such a reduction on consumer beef supplies comes when excess animals are no longer being slaughtered, and breeding stock is being retained. According to the Department of Agriculture, beef consumption per capita, off slightly in 1977, is expected to drop another 5 percent this year and 8 percent next year, marking the first sharp and sustained decline in 20 years (see chart). Exceptionally large increases in pork and poultry production—not yet on the horizon—would be needed merely to keep the total of red meat and poultry consumption even with this year's level. For beef, the meat preferred by consumers, supplies are unlikely to increase again before 1980 or 1981, and meanwhile the price mechanism will be acting to ration the diminished supply.







1/1979 value is a forecast. 2/1978 and 1979 values are forecasts.

3/Last value is April-May average. 4/Last value is for April.

BUILDING BUSINESS IN SAUDI ARABIA—*Two prospective customers (left) in Dhahran examine product literature and samples brought by U.S. trade mission member Richard C. Schmidt of American Standard, Inc., Cincinnati.*

NORTH AFRICAN, SAUDI MARKETS OFFER BUILDING EQUIPMENT OPPORTUNITIES

The recent sag in the dollar's value abroad is giving U.S. suppliers of building materials and construction equipment significant new competitive sales opportunities in North African markets. This was the clear message heard by members of a U.S. building and construction trade mission in Casablanca and Tunis recently. The mission, sponsored by the Commerce Department, also visited major urban areas in Saudi Arabia.

Prices for U.S. goods and services have become quite competitive with their European and Japanese counterparts, the mission learned. Both Moroccan and Tunisian businessmen strongly recommended that U.S. firms in all industries visit their countries on selling trips, Mission Director Robert Ruan of the Commerce Department reported.

Mission members were told that the special market arrangements Morocco and Tunisia have with the European Common Market, together with lower overhead costs in those two countries, make them attractive as licensee or joint venture manufacturing locales for U.S. producers interested in exporting their products to the EEC under favorable tariff rate conditions.

Equipment suppliers comprised eight of the 12-company complement. Three materials firms and one systems supplier rounded out the group. Although the Arab business community generally prefers to establish close commercial and personal relations with foreign firms' representatives before placing initial orders, a total of $210,000 in immediate sales was registered by the mission members. Sales in the following 12 months are estimated at $33.6 million—$4.6 million in Morocco, $2.7 million in Tunisia, and the remainder in Saudi Arabia.

Saudi preference for American goods and services continues, the mission members learned, though more and more they encountered Saudi willingness to turn to the next best sources of supply when satisfactory arrangements with U.S. suppliers could not be readily worked out, Ruan noted. Joint venture prospects are good, some members observed.

William Tuttle of the Bostwick Steel Lath Co., Niles, Ohio, making his first trip overseas, found that his preconceived estimate of Saudi Arabia's market potential for his metal lath and accessories was far too low. Another member on his first trip abroad, Irwin Plowden of Zip-Up, Inc., Rock Hill, S.C., manufacturer of portable floodlighting systems, saw several of his products in use at various airports. "Saudi Arabia, with its huge number of construction projects, is a natural market for our products," Plowden reported, "but our opportunities in Morocco and Tunisia are limited because night operations are uncommon there."

Three members found their mission participation useful in confirming the effectiveness of their agents serving the countries concerned. A doubtful member learned that his seemingly slow-moving agent was considered the best available by the local business community. Another member decided to replace his marginally-productive European agent in charge of Middle East markets. The third considered he learned far more about local market conditions than he could have learned from his Europe-based Middle East agent.

Only one sales representative was ap-

AT WORK IN MOROCCO—*Mission member Hamilton Wyche (second from left), International Trade Commission, Inc., Boston, talks intently with end users in Casablanca about the variety of construction systems and services he offers.*

pointed during the trip, attesting to the Arab preference of developing close initial relationships with foreign businessmen and to the wisdom of the businessmen to exhibit patience in their agent selection processes. The mission firms expect to sign some 34 agents from well over 100 prospects in the coming year. Two joint venture agreements were completed, with another 16 anticipated from among more than 50 leads.

In addition to those already mentioned, companies on the mission, and their representatives, were: Artmor Plastics Corp., Cumberland, Md., A. C. Morgan; Columbia Machine, Inc., Vancouver, Wash., Norman E. Small; Symons Corp., Des Plaines, Ill., Michael A. Vinik; Forest Distributors, Sherman Oaks, Calif., Ira Forest; General Engines Co., Thorofare, N.J., Frank Flowers, Sr.; International Trade Commission, Boston, Hamilton Wyche; Norton International, Inc., Worcester, Mass., Jean Paul Guiraud; Pacific Roller Die, Hayward, Calif., Norris H. Wiggins; Power Curbers, Inc., Salisbury, N.C. Dwight F. Messinger; and American Standard, Inc., Cincinnati, Richard C. Schmidt.

Pollution Control Interest Draws Buyers To View U.S. Equipment In U.K., France

Current developments in pollution control technology, environmental protection regulations, and polluting accidents such as oil spills combined to attract buyers to ENVIRONTROL '78, a recent exhibition of pollution control equipment and instrumentation at the London and Paris U.S. Trade Centers.

The exhibition included control equipment for both air and water pollution. Oil recovery systems were of special interest. Several years ago, spurred in part by the Torrey Canyon oil spillage of 1967, the British Government passed an anti-pollution law "with teeth." This year's Amoco Cadiz disaster off the coast of Brest, France, is likely to contribute to a similar move by the French Government.

Much of the equipment displayed in London was high in cost, as several companies were exhibiting whole systems rather than separate pieces. One new-to-market firm, Kermatrol, offering a large dust collector system, signed ten distributors, with 20 additional agreements expected by year's end. Jay Forni of Jay Forni International, Inc., with prefabricated pipings and fittings, reported off-the-floor sales at $3 million. One of the largest attractions was that of Oil Skimmers, Inc., supplier of recovery systems. The company displayed a full-scale boom skimming oil from a small pool.

During the event, the Trade Center held a seminar on advances in pollution control, which was attended by 145 business leaders.

The 34 exhibitors in London reported $5,416,400 in floor sales, and 12-month projections totaling $40.6 million. This figure tops all London Trade Center shows since January 1976.

Ten of the U.S. companies went directly from London to exhibit in the Paris show.

The French market for imports of pollution equipment remains at approximately $25 million, of which the U.S. has a quarter share. Nevertheless, interest was high during the show and although it is unlikely that the market will become major in terms of U.S. purchases, high technology items continue to do well. As more interest is being shown by the French Government in pollution problems, U.S. sales can be expected to expand.

Twenty-three of the 25 exhibitors in Paris were new to the French market. Immediate and projected sales were reported at $8.2 million. One exhibitor alone, Ferry Cap and Set Screw Co., producer of a carburetor attachment to conserve fuel and lessen air pollutants, estimates its forthcoming orders at some $3 million. Oil Mop Co., another manufacturer of oil recovery systems, projects $1.5 million in sales.

ENVIRONTROL '78 — *U.S. Trade Centers in U.K. and France recently staged exhibitions of pollution control equipment. Above, in London, Peter Walker (right) former U.K. Secretary of State for the Environment, views the display by Oil Skimmers, Inc. Photo at right shows a booth at the Paris event, as Gregory A. Dumas (right), Water Services Div. of UOP, Inc., discusses company's feed systems for injection of chemicals into cooling systems or boilers.*

COMMERCIAL OFFICERS AVAILABLE TO BUSINESS COMMUNITY IN MID-JULY

Business leaders across the country will have an opportunity this month to talk with U.S. Foreign Service Officers about to depart for assignments at posts abroad. These officers, who will be handling business and commercial activities, will be available for consultation July 10-13 or July 17-21 in the Commerce Department's District Offices in the cities listed below. Appointments should be made immediately; see inside back cover for Commerce District Office addresses and telephone numbers.

July 10-13:

Cincinnati, Sterling B. Persons, from Guayaquil to Singapore; **Cleveland**, Marianne M. Kunkel, from Bogota to Rome; **Columbia**, Mary Ann Peters, to Rangoon; **Denver**, John D. Fernandez, to Stuttgart; **Des Moines**, Jerry V. Cook, to Antananarivo, Madagascar; **Detroit**, George A. Dies, to Istanbul; **Hartford**, John R. Hamilton, to Thessaloniki; **Houston**, William V. McLeese to Mexico City; **Indianapolis**, Paul Hacker, to Sofia; **Los Angeles**, Eric R. Weaver, to Abu Dhabi; **Newark**, Leonard Scensny, to Doha (Qatar); **New York**, Miquel de la Pena, Hong Kong; **Phoenix**, Joseph P. Richardson, to Munich; **Reno**, William Memler, from Frankfurt to Brasilia; and **Salt Lake City**, Donald K. Steinberg from Bangui (Central African Empire) to Rio de Janeiro.

July 17-21:

Atlanta, Charles D. Mierzejewski, to Bonn; **Baltimore**, Jon L. Noyes, from Bangui (Central African Empire) to Frankfurt; **Birmingham**, Marc M. Wall, to Abidjan; **Boston**, Carolyn H. Ervin, to Paris; **Buffalo**, Judith R. Johnson, to Bucharest; **Chicago**, George M. White, to Cairo; **Cleveland**, Michael T. Dixon, to Budapest; **Dallas**, Lange Schermerhorn, from Tehran to London; **Greensboro**, Bruce D. Strathearn, to Caracas; **Memphis**, Jerry K. Mitchell, from Kinshasa to Lome (Togo); **Miami**, Kenneth R. Jernigan, from Santo Domingo to Caracas;

Milwaukee, Helen B. Lane, to Santo Domingo; **Minneapolis**, Robert B. Ehrnman, from Kabul to Dusseldorf; **New Orleans**, David C. Pugh, from Quito to Tegucigalpa; **Philadelphia**, David C. Litt, to Kabul; **Pittsburgh**, Robin L. White, to Rabat; **Portland**, Robert S. Deutsch, from Paris to Libreville (Gabon); **St. Louis**, Mary von Briesen, to Peking; **Seattle**, Laurence A. Hanrahan and Nicholas H. Riegg, to Taipei.

Japan Helps U.S. Exporters With New Market Studies

The Japan Trade Center, New York, has issued eight specialized publications designed to furnish American exporters with detailed market information to help them sell their products in Japan. Entitled *Access to Japan's Import Market*, the series includes separate booklets for furniture, leisure and sporting goods, home electric appliances, cosmetics, do-it-yourself goods, interior decoration products, apparel, and kitchenware. These product areas are among items considered to have great potential for increased imports into Japan. Each market survey explores trends in supply and demand, distribution methods, pricing and marketability.

The Japan Trade Center is the New York office of JETRO, the Japan External Trade Organization—a worldwide, governmental agency which promotes two-way trade between Japan and its trading partners. In recent years JETRO has issued market surveys chiefly for imports of primary commodities as well as processed agricultural, fish and livestock products, in order to assist developing countries increase their exports to Japan. The new publications stem from JETRO's growing effort to help more developed countries improve their balance of trade with Japan.

In addition to the "Access" series, JETRO recently issued another publication intended to aid foreign exporters. Entitled *Exporting to Japan*, it is a catalogue of approximately 4,000 items which Japanese firms are seeking to import.

Copies of these new publications may be obtained from the Japan Trade Center, 1221 Avenue of the Americas, New York, N.Y. 10020.

Jerusalem Site for Meeting On Information Technology

The Third Jerusalem Conference on Information Technology and associated exhibition will be held Aug. 6-9. Focus will be on technology transfer, computer and communications technology, applications and general topics. U.S. firms can obtain more information from Program Committee Chairman Aaron Finerman, State University of New York, Stony Brook, N.Y. 11790.

Iran Announces Revisions To Its Trade Regulations

The Iranian Ministry of Commerce has announced the new import-export regulations for the Iranian year 2537, beginning March 21, 1978. Of the 1,003 four-digit items in Iran's BTN (Brussels Tariff Nomenclature) Tariff Schedule, some 949 were unchanged, 49 were changed in a restrictive direction and only five were changed in a more liberal direction.

Among the major trade categories for which controls have been increased are raw and semi-finished plastics (BTN 39), tires (40.11), continuous synthetic fibers (51), fabricated iron and steel products (73), internal combustion engines (84.06), pumps and compressors (84.10/11), machinery for lifting and loading (84.22), construction machinery (84.23), and generators and transformers (85.01). On the other hand, importers may now apply to the Ministry of Commerce for pilot government approval for items requiring such approval, rather than having to deal with two or three different Ministries as required in the past.

The U.S. Embassy in Tehran reports that the overall effect of the new regulations on trade with the United States will not be very significant. Although individual product lines may suffer, factors such as credit availability, shifts in currency values, established product preferences, servicing capabilities, freight rates, and contract specifications are more important than changes in administrative controls in determining sources of imports.

Details of these changes are available from CAGNE/BED/ITA, U.S. Department of Commerce, Washington, D.C. 20230 (phone 202-377-3752).

Calendar For World Traders

July 6—Memphis — Mid-South Exporters' Roundtable, Monte's Restaurant. Information: Commerce District Office.

July 10-13—New York—American Management Associations seminar on International Project Management. Information: 212-586-8100.

July 11 — New York — FCIB Roundtable Conference, Hempstead Country Club. Information: 212-725-1700.

July 13—Louisville—International Credit and Finance Assn. meeting, Rodeway Inn. Information: Commerce's Memphis District Office.

July 17-21—New York—American Management Associations seminar on International Marketing: How to Sell Overseas. For information call 212-586-8100.

July 18 — Memphis — World Trade Club meeting, Southwestern at Memphis. Information: Commerce District Office.

July 24-25—New York—AMA seminar: Brazil Update. Call 212-586-8100 for information.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about upcoming trade exhibits and trade missions, licensing and joint venture proposals, opportunities to sell to foreign enterprises, major construction and expansion projects, and visiting buyers.

U.S. Promotions Abroad

For more facts on these and other U.S. exhibitions write: Director, Office of International Marketing, Rm. 4015, U.S. Department of Commerce, Washington, D.C. 20230. For trade missions: Rm. 6051, U.S. Department of Commerce, Washington, D.C. 20230.

International Security Equipment Fair. Essen, Germany. Sept. 11-15. The rising need for security and safety devices is mainly explained by the fact that terrorism in Europe has increased and police are no longer completely able to protect individuals or property. Protection by technical installations is one of the best means of crime prevention. In 1976 the German security equipment market totalled $1.2 billion, with the United States supplying about $60 million. By 1982, the market is projected to increase by 36 percent. The U.S. share, at that time, is predicted to reach $88 million. Contact Loretta Allison, 202-377-2905.

Food Processing and Packaging Equipment Exhibition. U.S. Trade Center, Sao Paulo. Sept. 11-15. Sales of food processing and packaging equipment in Brazil totaled $94.5 million in 1976 and imports amounted to more than $27 million. U.S. exports of food processing and packaging equipment to Brazil have been projected at a 20 percent level, but U.S. exporters face serious competition from European manufacturers. A few of the best prospects are crushing machines for cocoa beans and grain, presses for wine, milk homogenizers, ice cream making machines, refrigeration equipment, orange juice extractors, multipackers, thermoforing equipment, and shrink packaging equipment. A summary of the Commerce Department study of the Brazilian market for food processing and packaging equipment pinpoints additional high potential sales items. A copy of the summary is available from G. Lincoln McCurdy, 202-377-5427.

Arctic Oil Seminar Exhibit. U.S. Commercial Office, Moscow. Sept. 11-15. The U.S. Commercial Office in Moscow is working closely with the Soviet Ministry of Oil. Call Jim Robb, 202-377-4810.

Australia's International Engineering Exhibition. Sydney. Sept. 11-16. Under the aegis of the U.S. International Marketing Center in Sydney, the American Pavilion in AIEE will feature 5 product categories: CAD/CAM equipment, machine tools and metalworking equipment, process control instruments, pumps, valves and compressors, and industrial hand power tools. AIEE, "engineered to sell," is the largest event of its kind in the Southern Hemisphere and draws exhibitors and visitors from around the globe. Robert McLaughlin, 202-377-4957.

Process Controls Catalog Exhibition at "ILMAC '78." Basel. Sept. 12-16. Increased emphasis on modernization and automation in Switzerland has created a market for process controls estimated at $270-$300 million per year. The U.S. share of this market is approximately $50-$60 million. Sales of process controls are expected to grow 3-6 percent annually as the Swiss economy continues to improve. Electronic process controls have the best sales potential. Major investments are planned in: automatic process control systems, related data acquisition instruments and transmission devices, advanced instruments and components, and indicating, recording, and monitoring devices. U.S. suppliers of process controls should find an interesting and sophisticated market for their products in Switzerland. Catalog Exhibitions, 202-377-3973.

Advanced Medical, Surgical and Dental Equipment—Brno International Engineering Fair. Sept. 13-21. Czechoslovakia plans to upgrade the level of medical services to its general population through 1980. Advanced medical research equipment, examination and diagnostic instruments, blood and organ analysis instruments, sophisticated surgical equipment, advanced life support systems, and radiological diagnostic and treatment equipment all have potential. Tony Bilecky, 202-377-3376.

Communications Systems and Equipment Technical Sales Seminar. Poland, Hungary, and Yugoslavia. Sept. 18-30. These countries have indicated continuing intensive programs for modernizing and expanding communications networks and manufacturing capabilities for equipment. Advanced technology, including equipment and systems, must be imported from the West if plans for these programs are to be met. Telephone exchange equipment, microwave transmission equipment and advanced cable making technologies based on fully automated production lines are expected to be among items imported. Dick Bell, 202-377-5163.

Textile Machinery and Equipment Exhibition. U.S. Trade Center, Mexico City. Sept. 19-22. The Mexican demand for textile machinery will rise from $86.7 million in 1977 to an estimated $155.9 million in 1982. There is no domestic production of textile machinery in Mexico. U.S. manufacturers currently supply 16.9 percent of Mexican imports. The competitiveness of U.S. equipment prices, previously heavily drubbed by the Peso devaluation, has recuperated sufficiently through the recent revaluation of the major competitive currencies. Equipment most in demand by Mexico's textile industry includes ring-type spinning and twisting machinery, stretch-break equipment, high-pressure yarn dyers, spoolers, sizing machinery, non-rapier looms, sweater strip machinery, continuous bleaching equipment, jet dryers, nappers, fiber lockers, fabric and yarn washing, roller-cutters and jacquard knitting machinery. Call Hans J. Amrhein, 202-377-2332/2995.

Health Care and Medical Equipment Catalog Exhibition. Vienna, at "Krankenhaus '78." Sept. 19-22. Austria is almost completely dependent upon imports for its biomedical equipment. Imports of this equipment nearly doubled between 1973 and 1975, rising from $19 million to over $36 million. The U.S. share of the market rose from $1 million to $3 million during the same period. In 1977, the ministry responsible for Austria's national health plan had an estimated budget of $109 million, which provides for the establishment of new and the reorganization of existing health care facilities. The responsible buying authorities intend to purchase the most up-to-date equipment for installation in the new hospitals. This should increase the demand for sophisticated equipment from U.S. suppliers. Catalog Exhibitions, 202-377-3973.

Aquatech '78—Water Technology Equipment. Amsterdam. Sept. 19-23. Recently completed market research indicates that the Netherlands is an excellent market for American water technology equipment. Dutch expenditures on this equipment reached $60 million in 1977 and are forecast to surpass $100 million in 1981. Imports in 1977 were estimated at $16.5 million, up from $11.5 million in 1975. Continued growth is anticipated, with imports valued at $27 million forecast for 1981. Imports from the United States represented 17 percent ($2.8 million) of the Netherlands' total imports of these products in 1977. With sales of American equipment to the Netherlands projected to be $4.6 million in 1981, this is a must exhibition for growth-oriented U.S. manufacturers and distributors. For further information contact Helen Burroughs, 202-377-4941.

Business and Office Equipment and Systems Exhibition. U.S. Trade Center, Milan. Sept. 24-29. Will be held at same time as SMAU, Italian Business and Office Equipment Trade Fair. Exhibitors in the Trade Center Exhibition will capitalize on the estimated attendance of 30,000 trade visitors at the SMAU event on the adjacent Milan Fairgrounds. The Italian market for business and office equipment is projected to grow from $304 million in 1977 to over $500 million in 1982, an annual growth rate of some 11 percent. The U.S. exhibit will feature all types of business equipment, including electronic calculators, copying and duplicating equipment, electronic accounting machines, micro and mini-computers, microfilm equipment, pa-

per handling equipment, bank proof and encoding machines, letter handling and mailing machines, and word processing systems, all of which have been identified as having high sales potential in Italy. Marcia Griffin, 202-377-4975.

Building Products, Materials, Systems and Equipment Exhibition. U.S. Trade Center, Tokyo. Sept. 25-29. Building and construction products in Japan in 1976 represented a $37 billion market. The forecast for 1980 is $54 billion. Imports for 1980 are expected to reach $1 billion, of which the U.S. share is estimated at over $300 million or about 30 percent. New construction for 1976 was 2.3 million units valued at $79 billion, and is expected to increase to 3.1 million units at an estimated value of $110 billion by 1980. Market summary and basic research available. Robert Levine, 202-377-4379.

Materials Handling Specialized Trade Mission to Malaysia and Thailand. Sept. 25-30. During the three-year period 1979-81 combined purchases of materials handling equipment by public and private sectors in Malaysia and Thailand are expected to total at least $210 million. In Malaysia, the economy has made impressive gains over the past few years and planned expansions of the ports and airfields augur well for U.S. sales of materials handling equipment. Thailand's Fourth Five-Year Plan, 1977-81, projects a growth rate of 7 percent annually and requires a total investment of about $31 billion. Major project plans in that country envision ambitious development of basic facilities to process raw materials. This will not only require extensive use of materials handling in itself, but will generate expanded port and transportation facilities. Imports will have to satisfy about 95 percent of demand in both countries. Call Craig Atkins, 202-377-4756.

Hotel, Restaurant and Institutional Food Catering Equipment Specialized Trade Mission to Brisbane, Sydney and Melbourne. October. The market for restaurant, hotel and fast food equipment in Australia is active and rapidly growing. This growth is based in part on stricter state health department regulations regarding cleanliness of food service operations, and a growing trend of Australians to eat more meals outside of the home. Queensland is the traditional internal vacation destination for Australian tourists, and expected reductions in international air fares are expected to substantially increase tourism. The Commonwealth Games scheduled for 1982 in Brisbane will generate an influx of spectators and athletes. Approximately $100 million of tourist accommodations and recreation areas are being planned throughout Queensland in the next few years. The following products are considered to have excellent sales appeal: thawing and heating equipment, commercial microwave equipment, food and beverage vending equipment, refrigerated vending machines, customer-operated microwave warming equipment, food storage equipment, automatic food mixing and blending machines and other food service equipment for large hotels, institutions, hospitals and cafeterias. Contact Robert J. Bucalo, 202-377-3741.

Chemical/Petrochemical Processing Equipment Catalog Exhibition. Antwerp and Brussels. October. In 1976 the United States supplied 50 percent of equipment used by the Belgian chemical and petrochemical industry. Slightly less than $279 million is projected for investment in the Belgian chemical sector in 1978. Sales increases of about 10 percent annually in this sector are predicted for the next five years. Belgian exports of chemical and petrochemical products totaled $4,400 million in 1975, and domestic sales totaled $1,107 million. The best short-term prospects for increased U.S. exports are in the area of maintenance equipment and replacements for pumps, valves, fittings, measuring and control devices. For further information call Catalog Exhibitions, 202-377-3973.

Meat and Dairy Processing and Packaging Equipment and Technology Technical Sales Seminar. Poland, Bulgaria, Yugoslavia, Hungary. Oct. 2-17. These four countries are planning significant growth in meat and dairy production in order to fulfill increasing consumer demands and meet export expansion commitments. New western technology and equipment to make the meat and dairy production more efficient is mandatory if they are to meet their objectives. Officials from these countries have expressed specific interest in breeding technology, deboning, waste disposal and reprocessing, canning and labeling equipment and technology, equipment and technology for egg processing, feed mold inhibitors, protein recovery systems and broiler production, dairy packaging, sterilization and milking equipment and technology, enzyme, hard cheese, rennett and butter production technology and ice cream and yogurt production equipment and technology. Call Nancy Rinehart, 202-377-2801.

Nuclear Industry Exhibition, NUCLEX 78. Basel, Switzerland. Oct. 3-7. Held every 3 years, NUCLEX is a prestigious international event in which the majority of the significant suppliers of nuclear equipment and services throughout the world participate. It attracts more than 12,000 professional and trade visitors from all European countries and from most countries outside Europe. Encompasses all nuclear related equipment, including instrumentation for research and operations, reactors and power generating equipment and hardware of all types, waste solidification and water and air treatment, process controls and automation equipment, fuels and materials, computers for nuclear applications, and all services concerned with nuclear planning, siting, construction, transportation and monitoring. George Ruffner, 202-377-4384.

Bucharest International Fair—Industrial Electronics and Instrumentation. Oct. 5-14. Romania's premier international trade fair will provide U.S. manufacturers of industrial electronics and instrumentation an opportunity to penetrate or expand in a growing market. The Romanians are planning to invest between 920 and 960 billion lei ($76.6-80.0 billion) in the national economy from 1976 to 1980, with two-thirds assigned to industry. Machine-building is designated as one of the most important industrial branches. Within the machine-building industry, the share of output of electrical engineering and the electronics industry is expected to reach over 20 percent by 1980. These goals, together with commitments to further expand U.S.-Romanian trade, made during the fourth session of the Joint American-Romanian Economic Commission in November 1977, add up to a bright outlook for sales of American industrial electronics and instruments. Mike Frisby, 202-377-5186.

"Wood World USA"—Catalog Exhibition. Chile and Brazil. Oct. 9-22. Brazil is one of the world's major producers of lumber, pulp, paper, cellulose, plywood, and laminated wood. Because of the development of eucalyptus short fiber for pulping, Brazil's wood pulp and paper production more than doubled between 1968 and 1974. The exhibition in Brazil will be held in conjunction with "Fenam '78," an international fair emphasizing the industrial processing of wood. The Chilean Government has selected the forest products industry to receive major emphasis during the coming years. Large-scale expansion and capital outlays in several pulp and paper mills, two new cellulose plants involving investments up to $240 million, and significant growth in plywood manufacturing and the lumber industry are expected in the next 3 to 5 years. The market for U.S. exporters is excellent for machinery used in all phases of the forest industry in Chile and Brazil, with special emphasis on equipment involving technological advances. Catalog Exhibitions, 202-377-3973.

Business Equipment and Systems Catalog Exhibition at "Efficiency Beurs." Amsterdam. Oct. 10-18. Total business equipment imports into the Netherlands were $179 million in 1974, and are expected to increase at an average rate of 9 percent annually to exceed $280 million in 1979. The U.S. supplied over 12 percent of this market and should continue to do so through 1979. Dutch business requirements are largely satisfied by imports; domestic production is mostly designated for export. The Netherlands also serves as a major trading and shipping post and reexports large quantities of business equipment. "Efficiency Beurs" is a major European biennial exhibition of office and electronic data processing equipment, which in 1976 attracted more than 100,000 people. Best prospects include electronic accounting and banking machines, calculators, automatic typewriters and microfilm equipment. Catalog Exhibitions, 202-377-3973.

Nauka '78. Exhibition for Scientific and Laboratory Instruments. Moscow. Oct. 12-23. The $390 million USSR market for scientific and laboratory instruments is expected to grow 6 percent in 1978. Soviet purchasing authorities have specific interest in cryogenic devices and instruments for physical-chemical research. Dick Bell, 202-377-5163.

Lasers and Electro-Optical Equipment Exhibition. U.S. Trade Center, Tokyo. Oct. 23-27. Statistics obtained through various trade sources show that the Japanese market for lasers, electron microscopes, stereoscopic microscopes and analytical instruments expanded from $97 million in 1975 to $168 million in 1977. The average annual rate of growth over the two-year period 1975-77 was 25.5 percent on a Japanese yen basis. By 1982, the market is projected to reach $270 million, based on a 10 percent annual growth rate from 1977. Mara Yachnin, 202-377-4383.

Plastics Seminar/Exhibit. U.S. Commercial Office, Moscow, Oct. 23-27, and Leningrad, Oct. 30-Nov. 3. The current Soviet Five-Year Plan calls for increased use of plastics to raise quality of production and meet increasing consumer demand. Call Jim Robb, 202-377-4810.

Cargo Handling Seminar Mission to Morocco, Algeria, and Tunisia. Oct. 23-Nov. 4. Rapid rates of economic development in these North African countries are stimulating strong demand for improved cargo

handling facilities. Algeria is embarking on an ambitious program of expanding and modernizing its ports; Morocco is turning increasingly to containerization; and Tunisia is allocating $90 million of its new Five-Year Plan to port enlargement. Container handling, intermodal freight transfers, and quick loading and unloading techniques are the subjects of greatest interest in these countries. To broaden impact of this seminar mission, industrial material handling equipment will be included in the seminar theme. Call Geoffrey Walser, 202-377-2973.

Electronic Components and Assemblies Catalog Exhibition at "Fiarex '78." Amsterdam. Oct. 30-Nov. 2. In 1976, Dutch manufacturers of electronic equipment spent $627 million on electronic components and assemblies—a dramatic 30 percent annual growth in expenditures since 1973. Dutch imports of electronic components and assemblies have been substantial and have supplied a large portion of domestic needs and also provided stock for export to other European countries. By 1980, Dutch firms are expected to import over $1.1 billion of this equipment. American component manufacturers are expected to gain an increased share of this growing import market. Catalog Exhibitions, 202-377-3973.

U.S. Processing Industries Catalog Exhibition at "Machevo-Milieu '78." Utrecht, Netherlands. Oct. 30-Nov. 4. Machevo-Milieu is one of the major European trade shows covering the processing industries, which in 1977 attracted more than 20,000 trade visitors. The U.S. Catalog Exhibition that will be held in conjunction with this fair will feature equipment and supplies used in food processing, chemical and petrochemical processing, and pollution control. The U.S. exported $12.3 million worth of food processing equipment to the Netherlands in 1977. The Dutch market for this equipment is expected to increase 12 percent annually for the next few years. The market for chemical and petrochemical processing equipment in the Netherlands was estimated at nearly $790 million in 1977. Imports supplied about 20-25 percent of this market. The U.S. is the third largest exporter of this equipment to the Netherlands. U.S. exports of pollution control equipment increased 104 percent from 1973 to 1976, and should continue to expand 20 percent annually as pollution controls are mandatory in this densely populated market. Catalog Exhibitions, 202-377-3973.

Pollution Control Equipment and Instruments—Antinquinamento 78, International Pollution Control Fair. Milan Fairgrounds. Oct. 31-Nov. 4. Antinquinamento is a biennial fair which attracts a truly international audience. The 1976 fair drew over 15,000 visitors from 42 countries. The Italian market for pollution control equipment and instrumentation is projected to increase by 55 percent through 1982. Contact Bill McClure, 202-377-4605.

Mining Equipment Seminar Mission to Spain, Portugal and Yugoslavia. November. Government priorities in each of these three countries emphasize rapid development of ore and mineral resources. Yugoslavia's current five-year plan calls for investments of $3.2 billion in the mining sector. Expenditures on mining projects of $250 million are expected in Spain and $300 million in Portugal. Specific minerals involved include iron ore (Portugal and Yugoslavia); coal (all three countries); phosphates (Spain); and bauxite (Yugoslavia). Products with good sales potential include rotary and bucket wheel excavators, conveyors, excavator draglines, bulldozers, loaders, trench diggers, cranes, dredges, dumpers, graders, scrapers and large off-highway trucks. Call Art Laemmerzahl, 202-377-4511.

Paris Air Show

The U.S. Department of Commerce will again sponsor a U.S. Pavilion at the 33rd Paris Air Show—le Salon International de l'Aeronautique et de l'Espace —June 9-17, 1979, at le Bourget Airport, Paris. The Paris Air Show is internationally accepted as the most prestigious event for the international aerospace industry. The 1977 show drew visitors from 108 countries, with total attendance of nearly 470,000, of which approximately 86,000 were trade visitors.

For information contact: H. L. Kirchschlager, U.S. Department of Commerce. Office of International Marketing, Room 6318, Washington, D.C. 20230; tel. 202-377-4104.

Electronic Production and Test Equipment Exhibition. U.S. Trade Center, Sao Paulo. Nov. 6-10. The growing importance of Brazil's electronics industry is creating a strong rise in demand for equipment and special materials for electronic components production. Continuing demand for electronic consumer products and government efforts to stimulate domestic components production should raise sales to over $57 million in 1980. American suppliers are expected to make new inroads, increasing their import market share to 40 percent in 1980, as imports of test instrumentation and special materials for electronic components advance. Domestic production of equipment and materials in Brazil is forecast to expand rapidly; however, local producers are not expected to keep pace with demand. Imports, which reached $25 million in 1976, are expected to rise to $45 million in 1980. Sales of U.S.-origin equipment are forecast to reach $18 million a year by the end of the decade. Annette V. Napper, 202-377-5427.

Energy Systems Exhibition and Seminar. U.S. International Marketing Center, Singapore. Nov. 6-10. A rapidly growing and profitable market in South Asia exists for U.S. exporters of solar and conventional power generating, transmission, distribution and control equipment. During 1976, U.S. firms sold more than $120 million worth of energy systems equipment in this market. Sales of high quality and competitive U.S. equipment can be expected to exceed the projected aggregate 10-15 percent annual growth rate. Regional energy systems imports are expected to exceed $900 million annually by 1982. As the gateway to Thailand, Malaysia, Indonesia and Southeast Asia, Singapore is the principle marketing, distribution and financial center of an area supporting a population of 190 million, with a combined GNP of $55 billion. Contact Bill Brekke, 202-377-3893.

U.S. Hospital & Medical Equipment Catalog Exhibition. Thailand, Singapore. Nov. 6-11. The total market for hospital and medical equipment in Thailand was estimated at $23.5 million in 1977. This market is supplied almost completely by imports. There are 19 projects remaining under the 1977-81 Thai public health plan that will cost more than $943 million. The modernization of Singapore's hospital and medical facilities that began in 1972 is expected to continue until 1982. During the next five years, the medical equipment market is projected to rise as two major hospital construction projects are completed. Annual purchases should increase to $6.4 million annually by 1979. Two other hospital projects are planned in the early 1980's that should keep up the demand for medical equipment. Best prospects for U.S. sales in these markets will be in sophisticated and specialized medical equipment. Catalog Exhibitions, 202-377-3973.

Quality Control & Materials Test Instruments & Equipment. U.S. Trade Center, Mexico City. Nov. 7-10. Mexico imports most of the quality control & test instruments and related equipment it needs. In 1976, over $36 million worth of instruments were imported, with the United States the leading supplier, accounting for 72 percent of all quality control & materials test instruments. Purchases are forecast to grow at an annual rate of about 16 percent during the next several years. Due to the lack of quality control in Mexican industry and the continual need for higher quality Mexican products, this is the Mexican industry's area of greatest interest and need. Contact County Marketing Manager—Mexico, 202-377-4463.

Electronica '78. Munich Fairgrounds. Nov. 9-15. This international trade fair for electronic components and assemblies, held every two years, is considered to be the world's largest and most important event in the field of electronics. The German market alone for electronic components is forecast to reach nearly $3 billion in 1980. Sales reached an impressive $2.2 billion in 1976 and are predicted to grow an average 7 percent annually through the remainder of the decade. U.S. manufacturers account for the largest share of the import market, supplying about 20 percent of imported components. Don Schmadel, 202-377-2920.

Computers and Related Equipment Exhibition. U.S. Trade Center, Tokyo. Nov. 13-17. U.S. manufacturers of computers and related equipment are invited to participate on a first-come first-served basis. The Japanese market for this equipment is forecast to expand at an average annual rate of 13 percent from $2.8 billion in 1977 to $5 billion in 1982. In 1977 the U.S. share of Japanese imports was $269 million. By 1982 it is expected to reach $500 million or 59 percent of all computers and related equipment imported by Japan in that year. The product theme for the exhibition includes general purpose mainframes plus compatible CPU's, mini-computers, microcomputers, memory and solid state subsystems, input-output equipment, special purpose terminals, data communication/data entry equipment, parts and accessories, services and software, DBMS, IMS and other applications. Robert Levine, 202-377-4379.

Telecommunications Equipment and Systems Exhibition. U.S. International Marketing Center, Sydney. Nov. 13-17. The initial exhibition of this equipment, held in April 1976, resulted in projected sales of $11 million—a successful show of confidence in U.S. products. Sizable government purchases pushed the Australian market for communications equipment forward at an average annual rate of 25 percent between 1972 and 1974, reaching $311 million in the latter year. Purchases fell slightly in 1975, but continuing automation of the national telecommunications network and rising government data transmission requirements are factors that in-

dicate a projected annual market growth of 9 percent for the remainder of this decade. Total 1980 sales are expected to approach $470 million. For further information call 202-377-4957.

U.S. Industrial Equipment Catalog Exhibition at "Index '78." Athens. Nov. 13-19. The only specialized mechanical engineering and equipment trade show in Greece. Approximately 20,000 business officials visited "Index '77." The U.S. Catalog Exhibition being held in conjunction with this fair will feature in-plant materials handling, metalworking, and plant maintenance equipment. Catalog Exhibitions, 202-377-3973.

Communications Equipment and Systems Trade Mission to India and Pakistan. Nov. 13-30. The Government of India plans to invest approximately $2 billion to modernize the communications network in the country. India expects to import communications equipment and systems valued at about $367 million during the 1978-80 period, compared to $106 million of imports in the prior three years. Some 80 percent of the equipment to be imported by India in the next three or four years is in the new technology area and is primarily produced by U.S. companies. Pakistan's imports of commercial, industrial and public service telecommunication equipment including radio, television, and military communication equipment are estimated at between $250 million and $300 million during the period FY 1978-80. American exporters may secure a one-third share of this expanding market as U.S. equipment enjoys a high consumer preference because of advanced technology, better quality and competitive prices. The expanding Indian and Pakistani markets for communication equipment will provide excellent sales and joint venture opportunities for U.S. suppliers. Geoffrey Walser, 202-377-2973/4.

Food Processing Seminar Exhibit. U.S. Commercial Office, Moscow, Nov. 27-Dec. 1, and Kiev, Dec. 4-8. The U.S. Commercial Office is working closely with the Soviet and Ukrainian ministries in charge of food processing; the Ukrainian Ministres of Meat and Dairy and Food Industry have given the Commercial Office a list of equipment and processes that they want to have promoted at this event, the first to be held in the breadbasket of the Soviet Union. Jim Robb, 202-377-4810.

Aircraft, Aviation and Avionics Equipment Trade Mission to Nigeria, Kenya and Sudan. December. Will be limited to 12 U.S. companies representing aircraft, aviation and avionics equipment, including communications, navigational and ground support equipment. Participants will have a unique opportunity to meet with top decision-makers for the purchase of this equipment in government and business. Nigeria, Kenya and Sudan represent substantial markets. Each require commercial, general aviation and avionics equipment to implement current plans for airport expansion, and need additional aircraft to solve governmental and industrial transportation problems. In 1975, the Sudan imported $17 million in aircraft and aviation equipment, $16.8 million from the United States. Contact Jonnell Jacobson, 202-377-4918.

Mining and Exploration Equipment Seminar Mission to Indonesia, Thailand and Philippines. December. Mineral resources are among the most important earners of foreign exchange in these countries. Projections show continued growth in output, with several new mining projects planned as well as expansion of existing mines. Specific minerals involved include tin (Indonesia and Thailand); flourite, zinc, soda ash, and antimony (Thailand); copper and nickel (Indonesia and the Philippines); bauxite (Indonesia); and coal (Philippines). Equipment requirements include shortwall and universal cutting machines, hoists, flotation machines, concentrating tables, classifiers, feeders, scrubbers, ball and hammer mills, drilling equipment, and mine transport equipment. Additional items with market potential include process control instruments and safety devices. Increased exploration will result in purchases of items ranging from general geological survey equipment to on-site boring and testing equipment, as well as for geological laboratory testing and analysis. Call Art Laemmerzahl, 202-377-3741.

U.S. Woodworking Equipment Catalog Exhibition. Brussels. Dec. 2-10. The Belgian market offers good prospects to American manufacturers of woodworking equipment. Since 1975, imports have grown substantially, jumping from $14.4 million in 1975 to $18.4 million in 1976 and then exceeding $21 million in 1977. If this average annual growth rate of 21 percent continues, Belgian firms will be spending more than $37.8 million yearly on woodworking equipment imports by 1980. The number of Belgian manufacturers of lumbering and sawmilling equipment has dwindled to about ten, of which only three are important. Because of this decline, imports will supply most of Belgium's woodworking needs. Interests in American-made equipment ranges from highly-sophisticated automated machinery to smaller equipment suitable for the do-it-yourselfer. Catalog Exhibitions, 202-377-3973.

Printing and Graphic Arts Equipment Exhibition. U.S. Trade Center, Taipei. Dec. 4-8. The market for graphic industries equipment in Taiwan is expected to increase from $13.1 million in 1977 to $14.6 million in 1981. A considerable portion of the demand for this type of equipment is met by imports, which are projected to increase from $11.3 million in 1977 to $12.9 million in 1981. Contact Joseph Burke, 202-377-2087 or 5401.

PAK-TEK '78—Packaging and Printing Machinery, Equipment and Supplies. Copenhagen. Dec. 5-9. The Scandinavian market for packaging machinery and related printing equipment and supplies is projected to grow rapidly during the next several years. The use of packaging in Denmark, Sweden, Norway and Finland is as highly developed as it is in the United States. By 1981 the market for packaging machinery in Sweden and Denmark alone is expected to reach $80 million. The food processing and beverage industries in these countries continue to modernize and employ advanced techniques to reduce loss and spoilage, improve efficiency, and minimize the impact of rising labor costs. The packaging of non-food products such as cosmetics and household items is also a growth area, providing opportunities for suppliers of packaging machinery and related equipment. The PAK-TEK Exhibition is held once every three years. It attracts an audience from throughout Scandinavia interested in seeing what new developments have taken place in the packaging industry. PAK-TEK '75, drew 10,705 registered buyers to see the 300 exhibitors from 19 countries. PAK-TEK '78 will be even larger. For the first time, the U.S. Department of Commerce will sponsor a U.S. pavilion at PAK-TEK. It will be promoted to a select group of buyers, agents and distributors. William Beiring, 202-377-3276.

Metalworking Equipment Exhibition. U.S. Trade Center, Sao Paulo. Jan. 15-19. The Brazilian market for metalworking equipment amounted to almost $610 million in 1977 and is expected to total over $815 million in 1982. Imports registered $290 million in 1977 and are forecast to reach $372 million in 1982. Best prospect categories include: roundness measuring instruments, coordinate measuring and layout machines, surface finish measuring, recording and testing equipment, gear and hob checking equipment, special dies, a broader range of machine tools, special metalworking equipment, molding and continuous casting equipment, and heavy duty cutting, grinding and drilling power tools. Contact Beryl Cohen Blecher, 202-377-5427.

Hospital and Medical Equipment Catalog Exhibition. India (four cities). Jan. 15-31. A dramatic improvement in India's foreign exchange position has allowed restrictions on the imports of hospital and medical equipment to be lifted. This equipment may now be imported freely within specified limits. Imports of medical equipment were $9.3 million in 1975 and are expected to increase to $13 million this year. It is anticipated that they will rise at least 10 percent annually for the next few years. Due to end-user preference for American equipment, U.S. firms should be able to retain their 30 percent share of this import market. U.S. medical equipment is very popular in India, because of its technological advantages, durability, and performance. There is a good potential for sales of equipment which involve the latest technology and procedures. For further information call Catalog Exhibitions, 202-377-3973.

Medical Equipment Exhibition. U.S. Trade Center, Tokyo. Jan. 29-Feb. 2. Japanese imports of medical equipment from the United States totaled $45 million in 1975, $61 million in 1976, and $79 million in 1977. The projections for 1980 indicate a $551 million market with imports of $142 million, of which the U.S. share is estimated to be 62 percent or $88 million. Best sales prospects include cardiological equipment, pulmonary apparatus, neurological equipment, ophthalmological equipment, pediatric equipment, operating room equipment, general hospital equipment, and clinical laboratory equipment. Cantwell Walsh, 202-377-5893.

Computers and Peripheral Equipment Exhibition. U.S. Trade Center, Sao Paulo. Feb. 12-16. The Brazilian market for computers and peripheral equipment was estimated at $55.7 million in 1977. Imports accounted for over 80 percent of this market, or $45.3 million. U.S.-origin CPE represented an estimated 71 percent of total CPE imports in 1977, up significantly from the 53 percent registered in 1975. The equipment which offers the best prospects for U.S. exporters over the 1978-82 period is small, medium and, particularly, large computers; auxiliary memories; LSI technology; mass-storage systems; OCR, MICR equipment; both impact and non-impact printers; peripheral controllers and interfaces; and acoustic coupers. A copy of the U.S. Commerce Department study of the Brazilian market for computers and peripheral equipment is available by calling G. Lincoln McCurdy, 202-377-5427.

Aimex '79—Mining and Exploration Equipment. Sydney. Feb. 12-17. Australian consumption of mining and heavy construction equipment in FY1977 is conservatively estimated at $349 million and is projected to reach $440 million by FY1980. Over this

period the mining sector will account for most of the growth of consumption. Australia is well endowed with valuable mineral resources and by the 1980's minerals are predicted to replace primary products as Australia's principal export earner. American technology is very competitive in the Australian market and is highly regarded for quality, durability and performance. Equipment which should find maximum acceptance in the Australian market includes: rock drill bits and steels; rock drilling and boring machinery; diamond drilling machines; graders; dozers; excavators; loaders; mine construction; mineral processing machinery; and offshore exploration equipment. For further information contact Harry Stringer, 202-377-4957.

"Process and Quality Controls USA". U.S. Trade Center, Taipei. Feb. 19-23. "Buy More In America" is the latest proclamation of the Republic of China's Board of Foreign Trade officials. Taiwan's process industries depend almost entirely on imports to fulfill their needs for dependable, sophisticated control and inspection instruments and equipment. The U.S. is Taiwan's primary source for this equipment, and a recent market survey conducted for the Commerce Department reports that numerous major investment projects are now scheduled in many industrial sectors. The market for process control instruments is forecast to grow from about US$42.8 million in 1978 to over $58 million in 1982. General and automated analytical instruments comprised 46 percent of the $51.5 million Taiwan market for all industrial and scientific analytical instrumentation, while mechanical appliances and systems for testing physical properties of industrial materials accounted for another 40 percent during 1976. Call Dave Horridge, 202-377-2087 or 5401.

Environmental Pollution Control 79—International Exhibition, Sokolniki Park, Moscow. Feb. 28-March 12. Environmental protection is of considerable interest to Soviet Ministries. Although the Soviet Union's market for antipollution equipment is in its infancy, it is growing fast, and prospects are good for U.S. sales. Items of specific interest to the Soviets include: automated stations and environmental pollution monitoring systems, mobile and stationary installations and instruments for urban and background pollution monitoring, remote sensing, laboratory measurements of samples, and preparation of samples for analysis, sampling devices, means for calibration of instruments for monitoring of the environment, instrument installations and equipment for measurement and control of environmental pollution sources. Call Nancy Rinehart, 202-377-2801.

Machine Tools and Metalworking Equipment. Seoul. March 26-30. Korea's current Five-Year Plan (1977-81) stresses development of the machinery industry through introduction of capital equipment with a high degree of technology in order to be competitive in world markets. Reliance on imports is necessary since the Korean machine tool industry is in its infancy. The market for machine tools in Korea is expected to double from $270 million in 1977 to $533 million in 1981. Imports supply 70 percent of the current market and are projected to account for 65 percent in 1981. The U.S. share of the market should rise from 12 to 15 percent by 1981 if aggressive marketing techniques are utilized by U.S. suppliers. Call Fred Ott, 202-377-5895.

Licensing, Investment Abroad

1311—YUGOSLAVIA—Acting on results of test wells, Yugoslavia reports that commercial quantities of gas have been found in Adriatic sea. **Foreign firms are sought for cooperative ventures to intensify search for additional gas and oil in region.** Yugoslavia's new law on joint ventures increases their attractiveness, as it provides that payment to a foreign investor may be made in products produced from collaboration, including oil and gas. Mavro Popijac, Gen. Dir., Ina/Naftaplin, Kumiciceva No. 5, Zagreb 41000. P-78528. OPIC.

1522, 3272 — ISRAEL — Seeks **technology, systems and equipment for production of construction elements, prestressed concrete elements, complete housing units, and special elements, including rapid erection systems.** Established 1964, firm employs 200 technicians, up to 1,500 construction workers in apartment and housing development, military defense, civil engineering, and harbor, water works and sewerage plant construction. Yehuda Cohen, Admin. Mgr., Zacharia Drucker Co. Ltd., P.O. Box 828, 102 Haatzmauth Road, Haifa 31000. Telephone: 04-510235. P-78522. OPIC.

1542—SAUDI ARABIA—Seeks joint venture arrangement to **build and manage 150-200 bed hospital** at Dammam. Saudi firm has already conducted feasibility study, obtained necessary licensing from Saudi Health Ministry, prepared architectural drawings, and has acquired necessary land for project. Prospective investor must have past experience in management and operation of similar project. Also, U.S. firm should be willing to provide from 40 to 50% of capital financing, to recruit necessary personnel, and supervise construction and its management and operation. Mr. Mohamad and Nassir Sultan Al Hammsvd, Almousat Dispensary, P.O. Box 1974, Dammam. Telephone: 31809 and 22024; telex, 60128 MOUSAT SJ; cable, ALMOUSAT DISPENSARY, Dammam. P-78537. OPIC.

2253, 2200—JAPAN—Large Japanese retailer group is seeking purchasing agent on U.S. West Coast. Firm currently has good coverage of East Coast. Agent should have good connections with **apparel and fashion industry as well as with food sector.** Agent would be expected to collect information, forward it to Japanese firm, purchase and follow up with U.S. suppliers as required. The retailer is one of largest in Japan and is currently very active in promoting sale of U.S. products in Japan. U.S. Embassy Tokyo, Attn. Rodney Huff or Mrs. Emi Shimizu, 13-go, No. 14, Akasaka 1-chome Minato-ku. P-78536.

2500—SAUDI ARABIA—Seeks to contact U.S. companies interested in exporting to Saudi Arabia. Two broad product categories are sought: **complete range of household furnishings and school furniture and educational equipment and supplies of all types.** Saudi concern is also interested in a joint venture for the **establishment and operation of an educational equipment and supply house for the complete range of furnishings, scientific equipment, and supplies for schools and universities.** For additional information, contact Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78538. OPIC.

2731—GERMANY—Local company interested in **printing** American literature, catalogs, industrial prospectuses, etc., from scripts which have already been translated into German language. Firm would be prepared to market such products in Germany, Austria, Switzerland. Company operates printing office equipped with technically advanced printing plant. Herr Kehrer, Owner & Mgr., Kehrer Offset KG, Helligestr. 4, D-7800 Freiburg. Telex, 07721423; telephone, 0761/405066. P-78540.

2834—GERMANY—Seeks licenses to manufacture **pharmaceuticals for treatment of liver, gall bladder and digestive diseases.** Firm employs 60; annual sales, $35 million; specializes in producing pharmaceuticals listed above. Mrs. M. Weber, Export Mgr., Dr. Falk GmbH., Pharm. Praeparate KG, D-7800 Freiburg, Habsburger Str. 79/81. Telephone, 0761/36123; telex, 0772458. WTDR. P-78544.

2851—ITALY—Seeks to import and eventually acquire licenses to **produce universal coloring for tinting machines.** Established 1966, firm is medium sized manufacturer of paint and related products that employs 130 people, has annual sales of $12.8 million. Giovanni Junghanns, Junghanns SPA, Via Settembrini 39, 20020 Lainate (Milano). Telephone: 02/9370342. P-78526.

2865—KENYA—Seeks technology with or without investment, to **produce pigment, vat, disperse, reactive and acid dyes.** Production capacity proposed to be 250 to 350 tons per year. Company formed by group of Kenyan citizens associated with tourist, rubber, textile, garment and auto spare parts industries. Natu Sanghrajka, P.O. Box 49533, Nairobi. Telex, MOMBASA 2152; cable, BIG FIVE MOMBASA. P-78531. OPIC.

3079—GERMANY—Seeks licenses to manufacture **polyurethane hard foam** used for installation of prefabricated parts, filling hollow spaces, home insulation, etc. Firm employs 50; annual sales, $4 million. W. Schuehle, Rocca Bauchemie GmbH, Hauptstr. 132-134, D-7809 Denzlingen. Cable, ROCCA; telex, 772595; telephone, 7666/2022. P-78523.

5211—GERMANY—Manufacturer of **insulation glass** seeks licensing arrangement with U.S. firm. Representative of company will be exhibiting at International Glass Trade Fair in Dusseldorf, Sept. 28-Oct. 1; would like to meet with U.S. glass producers to discuss possible exchange of technical know-how. Franz Xaver Bayer, Isolierglasfabrik KG, D-7807 Elsach. P-78542.

3255—INDIA—Seeks technical know-how to expand its four-year old refractory plant in Dhanbad District, Bihar, from 7,200 m.t. to 12,000 m.t. of specialty **fireclay bricks** and special shapes, including dense and low porosity types. Firm desires technology and such needed types of sophisticated heavy duty presses not manufactured locally. Firm also desires U.S. technician's start-up services. All needed raw materials available locally. For additional information contact: Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D. C. 20230. P-78543. OPIC.

3264—INDIA—Seeks joint venture arrangements to establish plant for manufacture of armless "Horizontal Vee"-type **insulators** to handle up to 400 kv. lines.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

Firm sees domestic demand at 6,000 t. per year with prospects for export. Company is receptive to technical collaboration or joint venture with equity participation up to 25 percent. Estimated cost, about $3.33 million. Well supplied with most of raw material required. Mr. Chandy, Chmn. Kerala State Industrial Development Corporation, Ltd., P.B. No. 105, Trivandrum, Kerala 695001. P. 78535. OPIC.

3295 — AUSTRALIA — Seeks licenses for **process to treat diatomaceous earth for use as floor cleaning agent.** Manufacturer and distributor of industrial minerals, firm is subsidiary of Consolidated Rutile. R. A. Cameron, Mgr., Cudgen R. Z. Ltd., 360 Queen St., MIM Bldg., Brisbane, Z., 4000. WTDR. P-78530.

3296—SWITZERLAND—Firm desires to diversify its existing manufacturing program and would like to obtain licenses for U.S. made **insulation materials (thermal, sound) for use by building industry.** Items of interest include novel types of insulating wools, insulations which can be formed on construction site. Company would also consider materials used by manufacturers of prefabricated concrete elements (to be mixed into concrete) and metal parts. Swiss firm is member of large European concern consisting of 34 manufacturing plants located all over Western Europe. M. Cluzell, Somat SA, Route de Beaumont 4, 1700 Fribourg, P-78533.

3354—EGYPT—Manufacturer of architectural aluminum extrusions seeks joint venture partner to participate in establishment of continuous **rolling mill for aluminum and aluminum alloy sheets for roofing, siding, and "sandwich" panels used in construction industry.** Capacity of proposed mill is 12,000 t. per year. U.S. partner would provide capital and technical assistance in return for 25 percent equity position. Cost of project is estimated at $12 million. Sadek Hassan, Gen. Mgr., Al Saad Aluminum Co., 41 Abdel Khalek Sarwat St., Cairo. Telephone, 919815; telex, 92640 SAALUM UN. P-78529. OPIC.

3400—IRELAND—Toyota Holdings Ltd., mainly involved in assembly, sale and distribution of Toyota motor vehicles, is seeking joint venture with American company to diversify into labor intensive **light engineering** metal manufacture and assembly areas, nationwide dealer network, available investment finance and other considerations. William G. Hodnett, Gen. Mgr., Toyota Holdings Ltd., Park House, North Circular Road, Dublin 7. Telephone, 01-307-166; cable TOYHOL. WTDR. P-78515.

3423, 3536, 3321—INDIA—Firm seeks U.S. partners to supply primarily technology and equipment for local manufacture of **hydraulic mobile cranes, forged hand tools and malleable iron and steel castings.** Proponent has recently assumed charge of new, private firm in Derby group of companies which are owned by Dagas, a resourceful Marwari business house in Calcutta. K. Ray, Chief Executive, Derby Industrial Projects Private Ltd., 16 Hare St., Calcutta 700001; cable, PALANPURIS; telephone, 237586. P-78548. OPIC.

3443—GERMANY—Large firm, employing 5,500 offers exchange of licenses, technology and know-how to suitable U.S. manufacturers of **mobile heating stations.** Company presently produces wide range of specialized machinery and equipment for use in key industries. It maintains sales/engineering network throughout West Germany and Europe. Hans Joachim Krug, Prokurist, Distribution Mgr., Thyssen Henschel, Henschelplatz 1, D-3500 Kassel 1. Telephone, 0561-8015137; telex, 099791. P-78516.

3494—GERMANY—Manufacturer of complete piping systems with control valves for breweries, dairies, beverage producers, and chemical industry, seeks licensing arrangement to produce similar product lines. **High-technology process control equipment** would be of special interest. Company, which holds patents on several features of its piping systems, would also consider cross licensing proposals. Company employs 300. Werner Scheible, Export Mgr., Suedmo-Armaturenfabrik Leonhard Schleicher, D-7081 Pflaumloch/Wuertt. Telex, 51721 SUEDMO; telephone, 08931-4011. P-78517.

3523—GERMANY—Seeks representation or licensing agreement to market **self-propelled, center pivot irrigation systems and other irrigation systems for farms and gardens.** Is subsidiary of Swiss firm. F. Sachs, Sales Mgr., Agrigid Deutschland GmbH, Kirschbaeumliboden 24, D-7840 Muellheim. Telex, 772997; telephone 7631/4647. P-78521.

3531—INDIA—Seeks joint venture to manufacture **35- and 60-ton pneumatic, truck mounted hydraulic cranes** for domestic market. Prepared to import equipment, components. Reply promptly to K. Ray, Chief Executive, Derby Industrial Projects Private Ltd., 16 Hare St., Calcutta 700001. Cable: PALANPURIS; telephone, 237586. P-78518. OPIC.

3537 — UNITED KINGDOM — Seeks to manufacture under license **battery electric tow tractors with a drawbar pull of 5-30 tons. Diesel operated tow tractors of similar capacity** would also be of interest. Firm currently designs, produces and markets diesel locomotives, dumpers and spare parts, forklift truck attachments and road trailers. Employs 120. R. A. Wenham, Mng. Dir., Simplex Mechanical Handling Ltd., Simplex Works, Estow Road, Bedford, MK4Z 9LB. Telephone: 0234-56422. P-78519.

3542—ISRAEL—Seeks joint venture and/or licensing agreement to produce **sheet-metal-working machines and accessories.** Would sell to domestic, export markets. Firm currently imports and distributes metal-working machinery, machine tools and accessories. Founded 1956, employs 16. Dov Gurvitz, Mng. Dir., Tel Aviv Machinery Supply Co. (1956) Ltd., P.O. Box 5021, Tel Aviv. WTDR. P-78525. OPIC.

3544, 3546—SWITZERLAND—Tool manufacturer, to diversify and expand manufacturing program, seeks U.S. licenses for following: **tools for metalworking; metalworking dies for use on small to medium sized machine tools, and gardening tools and related agricultural equipment.** Firm will manufacture products in its plants in Switzerland and Nigeria for distribution on European and African markets. Representative of firm will attend International Machine Tools Show, Chicago, September. R. Scherrer, Gen. Mgr., Angehrn AG, 9113 Degersheim. P-78520.

3613, 3679—SWITZERLAND—Large industrial concern seeks representation and/or licensing agreements to produce **electro mechanical components** for electronics industry (except consumer goods). Firm is interested in components small to medium in size and value (below $500, single item price) with distinctive technical features to manufacture in series. Product interests include: **enclosures and packaging systems and related accessories** such as circuit board mounting chassis, guides for circuit boards, sliding drawers and cabinets, rack frames; **panel components** including dials, knobs, drives, drive mechanisms and scales; **switches** (pushbutton, program, printed circuit, rotary, solid state, lever, air flow actuated), switchboards, switch hardware. Company and its subsidiaries make engines, machinery, pumps and industrial electronic products. Employs 37,500 worldwide; has network of distributors throughout Europe.

Peter H. Merz, Planning Mgr., Sulzer Bros., Dept. 23, 8401 Winterthur. Cable, GEBSULZER WINTERTHUR; telephone, 052/81 64 89; telex, 76506. Additional details available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D. C. 20230. P-78524.

3679—GERMANY—Interested in licenses or exchanging technology for manufacture of **shell-type commutators and assembly of commutator bars.** Firm is well known producer of commutators. Principal customers are electric tool producers. Established 1929, employs 120. American Con. Gen., Economic/Commercial Section, B.B. Clermont, File #0032, Cecilienalle 5, 4000 Duesseldorf 30. P-78527.

3823, 3825, 3573 — HUNGARY — Research and Development Institute for Instrument Industry is seeking cooperation partner for all phases of manufacturing and marketing in fields of **process control systems, remote controls, data determination, automatic measuring.** The institute, which is experienced in these areas, is ready to contribute development programs, design of intricate instruments, and manufacture of same. Contact Mrs. E. Seybold, Intercooperation Co. Ltd. for Trade Promotion, P.O. Box 53, H-1253 Budapest I. Telex 224242; telephone, 152-220.

3824, 3825—GERMANY—Seeks licenses for manufacture of **measuring and control-**

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person, and (b) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies, or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting such restrictive trade practices or boycotts. Violators of U.S. anti-boycott law are subject to severe penalties including fine, imprisonment and revocation of export license privileges.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.6 of the above-cited regulations.

ling devices such as: fluid meters, test equipment for electrical circuits, electronic/electrical standards and calibration equipment and elapsed time meters. Firm's primary customers are involved in chemical, textile, paper, packaging and mining industries. Established 1945; employs 500. Walter G. Schmitt, Mayer & Wonisch, Fresekenweg 14, 5760 Arnsberg 1. P-78541.

3825 — HUNGARY — Company producing wide range of low- and high-frequency measuring instruments seeks partners who export complete **electronic training laboratories.** Hungarian company would supply many of the electronic instruments and, if required, is prepared to make adjustments to its equipment, to meet partners' specifications. Hungarian company has well established service network in several countries which can be made available to service these laboratories and other units. For more information, contact: Mrs. E. Seybold, Intercooperation Co., Ltd. for Trade Promotion, P.O. Box 53, H-1253 Budapest I. Telex, 224242; telephone, 152-220.

3825, 3662—HUNGARY—Telecommunications cooperative seeks cooperation partner in following fields: marketing of **radio and TV test instruments** manufactured by cooperative; and marketing of **closed circuit video systems, monitors, cameras, and cables to firms supplying complete school and hospital systems.** Contact Mrs. E. Seybold at address given in preceding item.

3841—FRANCE—Importer and distributor of equipment for endoscopy is seeking licensing arrangement for manufacture of any **medical or paramedical equipment for hospitals, doctors, clinics, physical therapist, etc.** Firm is subsidiary of two long-established manufacturing companies. Sales territory includes France and North Africa. Mr. Renaud, SARINCO, 10 rue du Zornhoff, BP 10, 677000 Saverne. Telephone: 88-91-32-21. P-78539.

3842—FRANCE—Manufacturer of protective work gloves is seeking to obtain licensing rights to manufacture **safety equipment for industry.** Firm was established 1939; employs 87; imports and distributes protective work clothing. Sales territory, France. Among its most important customers are French public and private organizations, such as Electricite de France, SNCF, Ugine Kuhlmann and De Dietrich. Claude Grosjean, Pres. & Gen. Mgr., Vosgienne d'Articles Industriels MAVO, BP 4, 88160 Le Thillot. Telex, 960193; telephone, 29-61-00-07. P-78534.

4911—SAUDI ARABIA—Seeks joint venture with U.S. electrical contractor to undertake **electric power generation and transmission projects.** Scope of projects will involve up to 500 kv. overhead lines. Saudi company is prepared to negotiate terms of participation with interested American concerns. For further details: Telex 670168 ALZEID SJ; Al-Zeid Corp., Electrical Div., P. O. Box 284, Dhahran Airport. Telephone: 48785, Alkhobar. P-78532. OPIC.

British Columbian Firms Seek Joint Venture, Licensing

The British Columbian Ministry of Economic Development has compiled a list identifying local manufacturers that have expressed an interest in formulating either venture agreements or licensing arrangements with U.S. companies. Listed are 119 manufacturers which produce a variety of products falling among such industries as food processing, plastic, steel, aluminum, commercial fishing, metal fabrication and the like. For additional information, contact Gary Smallenberg, Trade & Industry Division, Ministry of Economic Development, Suite 450, 700 West Georgia St., Vancouver, B.C., V7Y 1C6. Telephone; 604-668-2878; telex, 04-55459. P-78514.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a joint venture or licensing agreement, write to the Domestic Investment Services Staff, Bureau of Export Development, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-5361), referring to the appropriate file number.

Joint venture

BELGIUM—Hanging fireplaces and fireplace fixtures. Company will export parts to U.S. for finishing and assembly. M. Donbard, Don-Bar Creation, Bureaux et Salle d'Esposition, Boite 2, Ave. Louise 246, 1050 Brussels. File 3954.

GERMANY—Components for melting furnaces and electrical equipment for foundries and similar establishments. Company, which manufactures transformers and other electrical equipment as well as components mentioned, will provide its technical know-how. American partner should be medium size (50-150 employees) and acquainted with copper welding processes. Wolfgang Eckenbach, Erich Marx GmbH KG, Lilienthalstr., 5860 Iserlohn. File 3955.

GERMANY—Vehicle lighting equipment for automotive and motorcycle industries. Company employs about 500; expects U.S. partner same size in same field or in plastic industry. Company will bring molds from Germany and also will consider sending technical manager. Company especially interested in states of Indiana, Kentucky, Ohio, Pennsylvania, Tennessee. Commercial Section, American Con. Gen., Urbanstr. 7, D-7000 Stuttgart 1. Please refer to company's products for identification purposes. File 3956.

NETHERLANDS — Plastic packing and display boxes and linings for camera and electric razor. Producer interested in joint venture in U.S. with medium size U.S. plastic products maker, preferably in New England or northeastern part of U.S. Commercial Section, American Con. Gen., APO NY 09159. File 3957.

UNITED KINGDOM—Denim mill. Interested in establishing new mill in U.S. with interested U.S. partner. Juan Antonia Fanjul, 29 Broom Park, Teddington, Middlesex. File 3958.

Licensing

GERMANY—Paper shredders and balers, covered by U.S. Patent No. 3,986,676, Oct. 20, 1976; shred up to 400 kg./hr. Gerhard Husmann, Gerhard Husmann Maschinenfabrik & Containerbau GmbH KG, Postfach 1144, D-2992 Doerpen (Ems). File 3959.

GERMANY—Formwork used in construction industry: shaft, wall, climbing, three-dimensional, floor, pillar, frame-slab, and round formwork for concrete construction. Doris D. Atkind Trade Promotion Officer, European American Bank, 10 Hanover Sq., New York, N.Y. 10015. File 3960.

GERMANY—Work stool for semi-standing jobs such as metal drilling, designing, and others. This upholstered stool can be adjusted from height of 62 cm. to 93 cm., can easily be folded for storage, and does not interfere with leg movement of worker. Mr. Haake, Loevenich GmbH, Rodderbergstr. 13, 5000 Koeln 41. File 3961.

GERMANY—Sprinklers and fixtures designed to water square and rectangular areas of lawn and garden. Company may be interested in cross-licensing. Manager, Kissing & Mollmann, 5860 Iserlohn, Postfach 332. File 3962.

Cross-licensing

GERMANY—Large, single draft fired water tube boilers. The Thyssen Henschel type boilers, laid out for oil and gas firing, are designed for thermal output from 215,000 kcal./h. to 2,750,000 kcal./h., and higher; and water content from 375 l. to 3,600 l. Used mainly in industry. Hans Joachim Krug, Prokurist, Distribution Mgr., Thyssen Henschel, Henschelplatz 1, D-3500 Kasse 1. File 3963.

Direct Sales

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

Rolling, drawing nonferrous metals

3353351—FRANCE—Packed, rolled aluminum foil paper, thickness 15½ micromillimeter; width 33 cm; length 36 meters; quality 99.5 percent aluminum. Wishes to import approx. 800,000 rollers/yr. Estab. 1962. Employs 6,500. Supermarket store, 22 branches. Bank ref.—Societe Generale, 59100 Roubaix. Reply to—Mr. Etaffe, Auchan, 200 Rue de la Recherche, 59650 Villeneuve D'Ascq, France. Telex 160 079; tel. 91-92-24.

3357400—IRAN—Plastic insulated, moisture proof telephone cable, 535 km. Interested bidders must deposit RS. 2,000 ($28) in account 90018 (TCI), Bank Melli Iran, to obtain copy tender docs. Submit bids to — Supply Dept., Telecommunication Corp. Iran (TCI), Kourosh-E-Kabir Ave., Bisim Pahlavi, Tehran. Refer to bid no. 37/18. Bid deadline Aug. 8.

3357800—INDIA—12 km copper clad superconducting multifilamentary wire made of niobium titanium. Obtain bid docs. from —Mgr. (Materials), Bharat Heavy Electricals Ltd., Corp. Research & Dev., Vikasnagar, Hyderabad 500 593, India. Refer to tender no. OT/3804/SM. Bid deadline Aug. 18.

Hand tools

3423100, 3519900—THAILAND—Assorted hand tools, such as sockets, torque wrenches, air-conditioning tools, plumbing hand tools. Instruction models automatic transmission system, diesel injection system, hydraulic dual circuit brake, & electromotor. Financed by loan from Asian Dev. Bank. Bid docs. available for $20 per set from Natl. Institute for Skill Dev., Dept. of Labor, Din Daeng Rd., Bangkok 4, Thailand. Refer to bid no. DOL-NISD-ABD-008. Bid deadline Aug. 8.

Farm machinery

3523100—GREECE—Supply unimog type tractors on tire wheels, continuous power 80 & 90 ps-70020 din, up to 20 tons weight. Financed from PPC budget. Bid docs. obtainable free from Public Power Corp. (PPC), Purchasing Dept., 55 Stournari St., Athens 102, Greece. Refer to bid no. 198008. Bid deadline Sept. 4.

Construction machinery

3531600—INDIA—One bituminous paver finisher, suitable for widest possible spectrum of bituminous work, & able to lay premixed material up to 100 tons p/hr. Length 3.09 meters; breadth 2.50 meters; width 2.05 meters max. Gross weight vehicle should not exceed 14,400 kg. Equip. required for India's "Calcutta Urban Dev. Projects" financed by Intl. Dev. Assoc. Interested firms procure tender docs. against payment of RS 110 ($12.76), from The Dir. (Materials), Calcutta Metropolitan Dev. Authority, 3A Auckland Place, Calcutta 700017, W. Bengal. Refer to bid no. CMDA/IDA-II/ICB. Bid deadline Aug. 4.

3531700-825-840—TANZANIA—4 motorized graders, self-propelled, developing 125-140 brake hp., fitted with scarifyer & grader blade all hydraulically operated. 3 track-type tractors fitted with ripper-scarifyer & angling bulldozer blade, developing 70-80 bhp. 1 wheel loader developing 75-90 bhp. & fitted with gen. purpose bucket cap. 1.1-1.4M3. 1 flat bed truck 10 ton cap. & fitted with hinged or removable side boards to facilitate wide loads, tropicalized for E. African conditions, right-hand drive. 2 flat bed trucks, 7 tons cap., tropicalized for E. African conditions, right-hand drive. 9 tipping trucks, 7 ton cap., tropicalized for E. African conditions, right-hand drive. 1 tractor fitted with front loader & back-hoe, developing 80-100 bhp. Financed by European Dev. Fund under agreement no. 2066/TA amounting to approx. $900,000. Notice & gen. stipulations available from Dept. Commerce, TOP, Rm. 2321, Wash., D.C. 20230, tel. 202-377-2251. Submit bids to—Secretary, Central Tender Board, P.O. Box 49, Dar Es Salaam, Tanzania. Refer to bid no. 11 of 1978 (IRINGA). Bid deadline Sept. 15.

3531700-800, 3471000, 3524700, 3561500—THAILAND—Group 3—95 units, motor graders, 12 tons, heavy duty, water cooled diesel engine, 120 hp. at speed 2,400 r.p.m. Group 4—103 units, maintenance rollers incl. 12 complete units engine & related components. 12 units concrete screen vibrator incl. 2 complete units engine & 2 units vibrator. 12 units, concrete pocket vibrators incl. 2 complete units engine & related components. Group 5—6 units, tractor with front loader & backhoe, 62 hp., incl. 1 complete unit engine & related components. 36 units, tractor with hydraulic arm mower, 62 hp., including 3 complete units engine & related components. Group 6—101 units, grass mowers, pedestrian type, & 12 units engine. 101 units, grass mower, back-pack type & 12 units engine. 62 units, mud pump, incl. 6 units engine & 6 units pump. 12 units, portable sandblaster & 1 engine. 63 units concrete mixers, 150 liters incl. 6 complete units engine. Financed by loan from World Bank. Tender docs. for sale at US$25 per group of items from Project Dir., Loan Control Off., Highways Dept., Sri Ayudha Road, Bangkok, Thailand. Bid deadline Aug. 11.

Metalworking machinery

3541000, 3567000—BURMA—Supply following maintenance equip. to irrigation dept.: 2 crankshaft re-grinding machines, 1 vertical honing machine, 1 upright boring machine, 1 connecting rod internal boring & grinding machine, bolts & nuts making machine, 1 valve refacer machine, 1 valve seat grinder, 2 fuel injection pump test benches, 1 nozzle grinding & lapping machine, 1 high pressure washing unit, 1 set furnace for foundry & access. Financed with ABD credit. U.S. Embassy, Rangoon, will forward copies bid invitation & specs. to interested U.S. firms on request, citing "T-0073," including cashier check or money order for $5 per set (containing items 1 to 12), payable to U.S. Embassy, Rangoon. Refer to bid no. 6(T) MCY/AMD/IRR/ABD/78-79. Submit bids to—Director General, Irrigation Dept., 9/21 Strand Rd., Rangoon, Burma.

3542349—EGYPT—Supply 1 machine for mfg. rivets, various sizes (brake lining rivets). Buyer owns factory for making gaskets & brake lining material, especially asbestos, seeks catalogs & offers c.i.f. Alexandria. Write or cable to—Sherif A. Anwar, Anwar Jointing Factories, 17/19 Hammouda El Mekawel St., Abdin, Cairo, Egypt. Cable ANWARSERV CAIRO; tel. 904007.

Special industrial machinery

3559587, 3567121, 3679019 — INDIA — Bharat Heavy Electricals Ltd. has issued the following tenders: Laboratory models chemical hoods & laminar flow stations for clean & safe handling chemicals as well as for critical process steps in solid state device fabrication, tender no. OT/3830/SM, bid deadline Sept. 1. 1 exposure unit with attachments for alignment & exposure photoresist coated silicon wafers to uv radiation through masks; equip. should facilitate polymerization exposed photoresist areas so that they could selectively withstand material removal to define emitter, base, collector regions on solid state device; should be lab. model with aligner, etc. & not intended for mass production, tender no. OT/3827/SM, deadline Sept. 1. Diffusion & oxidation systems intended for carrying out fabrication process steps in solid state power device development in laboratory; diffusion furnaces are meant for P & N type diffusion on silicon such as phosphorus, aluminum, gallium, gold, etc.; oxidation furnace for thermal oxidation on silicon wafer, tender no. OT/3828/SM, deadline Aug. 25. Laboratory model atmospheric & vacuum drying ovens for drying processed metal & semiconductor device components in vacuum or inert atmospheres, tender no. OT/3826/SM, deadline Aug. 25. OH slipringless torque speed transducer with suitable amplifier, to be used in thrust bearing test rig for mea-

surement torque & speed, tender no. OT/857/KR, deadline Aug. 11. Obtain bid docs. from—Mgr. (Materials), Bharat Heavy Electricals Ltd., Corp. Research & Dev., Vikasnagar, Hyderabad 500 593, India.

General industrial machinery

3561313—JAMAICA—18 pumping units complete with accessories, ea. with cap. 100 cu. ft./sec.; 2 pumping units complete with accessories, ea. with pumping cap. 50 cu. ft./sec. To be housed in 2 pump stations, 1 station will house 16 of 100 cu. ft. cap. pumps & other will contain remaining units. Construction stations & installation equip. will not be part of contract. Requests for docs. must be accompanied by deposit J$150 or its foreign currency equivalent. Checks should be made payable to Natl. Planning Agency Ltd. Jointly financed by loan 538/SF-JA of IDB & govt. Obtain bid docs. from—Director, National Development Agency Ltd., 6th Floor, 12 Ocean Blvd., P.O. Box 778, Kingston, Jamaica. Tel. 9225445. Bid deadline Sept. 25.

Electrical industrial apparatus

3621400—HAITI—Proposal incl., but not limited to—2 or 3 standard diesel electric units, in working order, of 60hz, 2,400 v., 1,200 revolutions/min., totalling 1,500-1,700 kw. Project part of Electricite D'Haiti ext. project that will be financed by Intl. Dev. Assoc. Current tender will be incl. in IDA credit, but initially will be financed by Electricite D'Haiti. Bids must be purchased for U.S.$20 from Electricite D'Haiti, Rue Pavee, Port Au Prince, Haiti, or Sofrelec, C/O Sogelerg, Secretariat De M. Sass, Cedex D 902, 25, Rue Du Pont Des Halles, Chevilly Larue, 94536 Rungis Cedex, Paris, France. Corres. in French.

3624156—INDIA—Graphite electrodes—3 in., 4 in., & 6 in. dia., preferably 60 in. length, with nipples, suitable for steel arc furnaces. Quote both f.o.b. & c.i.f. Calcutta prices with terms. Buyers hold Govt. of India license for importation, & requirement is on recurring basis. Write to—The Proprietor, Jayantilal & Co., 20 Armenian St., Calcutta 700001, Bengal, India. Tel. 343606; Cable KARBONWALA-CALCUTTA.

Radio, television receivers

3651200-465-555, 3662300, 3679000, 3861100-169-327—THAILAND—18 in. in-line type color t.v. receivers, 20-in. black & white t.v. receivers, b/w monitor receivers. Wireless microphones; stereo tuner/amplifiers; intercom equip.; 1 vertical type process camera, studio lighting. Monochrome tape sync adaptor, camera adaptor, monochrome rf unit. ½ in. monochrome video tape recorders. One 16mm. film projector. 10 overhead projectors, 6 slide projectors, 1 slide copier equip. Financed by loan from Asian Dev. Bank. Obtain bid docs. for $20 each set from Natl. Institute for Skill Dev., Dept. of Labor, Din Daeng Rd., Bangkok 4, Thailand. Refer to bid no. DOL-NISD-ADB-008. Bid deadline Aug. 8.

Communications equipment

3661150—PAPUA NEW GUINEA—Supply & delivery of, or supply, delivery, installation & commissioning small automatic telephone switching systems for use as terminal public exchanges. Intention of dept. to standardise on successful switching system for no. of yrs. subject to satisfactory performance & pricing. Precise program for provisioning switching systems has not yet been determined. However, contract ordering period will be for 3 yrs. & approx. 5 exchanges installed annually. Every effort will be made by dept. to ensure continuity installation effort during ea. yr. contract. Dept. is interested in any electro-mechanical or electronic switching equip. which may fulfill its needs, consistent with requirements of reasonable compatibility with existing network. Tenderers submitting proven systems with compact design & incorporating electronic circuitry with stored program control of special interest. Obtain bid docs. from—Chairman, Supply & Tenders Board, Dept. Public Utilities, P.O. Box 171, Port Moresby, Papua New Guinea. Refer to bid no. P&T 87. Bid deadline Sept. 29.

3661291—INDIA—100 bays multichannel uhf equip. Import likely against IDA-financed line of credit. Tender docs. available for RS. 75 (approx. $9.38), per set, from Dir. Gen., Posts & Telegraphs (MMD Sec.), Parliament St., New Delhi 110001, India. Refer to bid no. 12-230/78-MMD. Bid deadline Aug. 7.

3662100—LEBANON—Supply & installation on turn-key basis computerized electronic telex exchange, nominal cap. 300 bits, servicing 5750 trunks. Project involves provision all equip., software, alarm, test & protective equip., training local personnel, & assembly on site. Project 1st phase 6-yr program to expand Lebanon's telex cap. from 4000 to 30,000 trunks. Financed from Govt. Lebanon funds. Payment terms 10 percent contract award, 80 percent on provisional acceptance, 10 percent final acceptance. Specs. & requirements available from Government of Lebanon, Tender Dept., Beydoun Bldg., 1st Fl., Verdun St., Beirut, Lebanon. Bid deadline Aug. 31.

Motor vehicles, equipment

3711000-100, 3713100, 3715100 — THAILAND—Supply vehicles & highway maintenance equip. as follows: Group 1—18 units, passenger car, sedan, petrol engine incl. 2 complete units engine & components. 93 units, inspection car, 4 wheel drive. 108 units, flatbed truck, 3½ tons. 89 units, flatbed truck, 6 tons, with hydraulic hoist, incl. 12 complete engines & related components. 226 units, dump truck, 4 cu.m., incl. 24 complete units engine & related components. 47 units, water tanker truck, each having cap. 4,500 liters, incl. 6 complete units engine & related components. 12 units, lubricating truck, incl. 1 complete unit engine & related components. Group 2—12 units, truck tractor incl. 1 complete unit engine & related components. 12 units, low-box trailer, 25 tons, incl. components. 47 units, plant trailer, 10 tons, incl. components. 12 units, caravans, 6 beds, incl. 1 unit rear axle complete with springs. Financed by loan from World Bank. Tender docs. for sale at US$25 per group of items from Project Dir., Loan Control Off., Highways Dept., Sri Ayudha Road, Bangkok, Thailand. Bid deadline Aug. 11.

3711200-300, 3531420-612, 3713100-200—QATAR—Ambulance (complete units), motor vehicle mobile workshop, concrete mixers, truck mounted cranes, passenger buses, road sweepers, dumpers, gully-cesspit emptiers, refuse collectors. Interested estab. contacts with U.S. mfrs. & suppliers above products. As participant in govt. tenders, now aware several tenders to come up in next few mos. involving above products collectively or separately. Willing sponsor & support U.S. firms interested supplying above products on negotiable commission basis. Prefers to deal with firms not already rep. in Qatar. Language corres. Arabic. Send brochures. Doha price lists per unit, if possible. Write to—Nudeeb G. Kubrusi, Mgr., Qatar Automobiles Co., P.O. Box 1290, Doha, Qatar. Tel. 26907; telex WIBECO 4203 DH.

Railroad equipment

3743115 — MOZAMBIQUE — Supply 24 diesel shunting locomotives. Interested bidders must make initial qualifying deposit corresponding to 2.5 percent their own bid value with Treasury, Natl. Directorate, Ports & Railways, People's Rep. Mozambique, Maputo, will be refunded to unsuccessful bidders. Successful bidders will then be requested to make deposit 5 percent total bid value within 8 days notification. Financed by National Directorate, Ports & Railways & Bank of Mozambique. Interested firms must purchase tender docs. directly from Treasurer, address below for 2000 escudos (US$66.70) excl. mailing charges which may add 10-15 percent cost. Portuguese preferred as language corres., but English acceptable. Obtain bid docs. from—Direccao Nacional Dos Portos E Caminhos De Ferro De Mocambique, CFM-Aprovisionamento, Av. Dos Martires De Inhaminga 366, Maputo, Mozambique. Refer to bid no. 15/78. Bid deadline Aug. 31.

Scientific, laboratory equipment

3811220—BANGLADESH—Supply, erection & installation equip. essential for growth chamber & genepool to produce, multiply, procure, process & distribute jute seeds to growers. Supplier should also train operators. Financed by Asian Dev. Bank. Prescribed tender form & other docs. giving detailed specs, requirement, terms & conditions available for TK. 250 (about $16; not refundable) per set from Project Co-ordinator, Jute Seed Project, Bangladesh Jute Research Institute, Manik Miah Ave., Dacca-7, Bangladesh. Refer to tender no. BJSP/19/78. Bid deadline Aug. 21.

Measuring and controlling devices

3823060-78, 3829230-255-320 — INDIA — Bharat Heavy Electricals Ltd. has issued the following tenders: 1 miniature thermocouple to be used in thrust bearing test machine for measuring temperature distribution of oil film formed between thrust collar & thrust pad, tender no. OT/856/KR, deadline Aug. 11. 1 miniature pressure transducer & measuring system, tender no. OT/855/KR, deadline Aug. 11. 1 ellipsometric equip. for measuring surface film thickness & refractive index of semiconductor wafers, optical coatings, oxide & corrosion films, anodized & paint layers, etc.; standard & optical accessories listed in tender docs. should also be supplied, tender no. RD/PUX/1440/A1/SM, no deadline stated. Also, tender no. OT/353/SM—1 automatic gas analyzer capable precise, rapid, & simultaneous determination all gases in metals, metallic compounds; these gases incl. H2, O2, N2, CH4, & argon. Tender no. OT/352/SM—1 mercury penetration porosimeter to measure pore volume & pore size distribution porous powers & solids; prices of standard & optional accessories should be incl. in quotation. Deadlines Aug. 18.

3825200—THAILAND—Assorted electric measuring instruments, such as diesel timing lights, armature testers, starting/charging system testers, tune-up tester,

multimeters universal measuring bridge, sine & sq. wave generator, l.f. sweep generator, function generator, am/fm generator, stereo generator, pattern generators, digital multimeters, single & dual beam oscilloscopes, t.v. sweep & marker generators, frequency counter, electronic multimeters. 10 ton split type air-conditioners, 12,000 & 24,000 btu/hr. Window type air-conditioners, & refrigeration & air-conditioning training unit. Six 10 cu. ft. refrigerators. 1 offset printing machine & plate makers. Duplicators for stencils. 2 blueprint printing machines. 2 transparency makers & 1 paper copier machine. Financed by loan from Asian Dev. Bank. Bid docs. may be purchased for $20 per set from Natl. Institute for Skill Dev., Dept. of Labor, Din Daeng Rd., Bangkok 4, Thailand. Refer to bid no. DOL-NISD-ABD-008. Bid deadline Aug. 8.

Chemical plants

9910500—EGYPT—Design, supply, supervision, start-up & take over tests of unit for producing "anthraquinone" of dyestuff grade from "anthracene" for El Nasr Co. for coke & chemicals. Tender docs. must be purchased through bank transfer through Central Bank, by payment of 100 lbs. sterling, U.S.$182 per copy incl. mailing charges, from Gen. Organization for Industrialization (GOFI), 6, Khalil Agha St., Garden City, Cairo, Egypt. Refer to tender no. 5/78. Bid deadline Oct. 2.

Laboratories

9911203-7 — NICARAGUA — Construction agricultural education, research & extension centers in Nicaragua. Central one to be located in Managua while 7 other stations will be built in towns El Recreo, Nueva Guinea, Santo Tomas, Sebaco, Bonitello, Campo Azules, & Masatepe. Centers would conduct agricultural research as well as provide training at all levels from technicians to master's degree in agricultural engineering. Total cost project est. at $26.4 million, $5 million which will go to construction & $5.7 m. foreign procurement. Negotiations under way with Inter-American Dev. Bank which may provide $18 million for project. Foreign procurement involves construction materials equip., technical asst. ser., education & research materials, vehicles. IDB to make decision on loan before end-1978. Construction would follow. Contact—Lic. Luis Osorio, Dir., Instituto Nacional de Technologia Agropecuaria, Misite Rio De Agricultura, Apartado Postal 188, Managua.

Communications projects

9912100-200 — ARGENTINA — Entel, Argentina state-owned telephone co., planning award "turnkey" contract early in 1979 for construction & equipping of ground station capable of transmitting intl. telephone & telex communications. Will be located either in San Luis or Cordoba province & have same type equip. as one in operation at Balcarce in Buenos Aires province. Complete range equip. needed incl. antennas, multiple channel equip. for transmission, reception, & video purposes, & energy generating system. Whole complex will cost about $5 million; successful bidder will have to provide financing. For further info. on project, interested firms should contact Ing. Eugenio C. Mattiuzzi, Dir. De Servicios Internacionales, Entel Argentina, San Martin 320—2nd Fl., Buenos Aires.

9912900 — JORDAN — Provision, installation, testing & service cut-over of combined Natl. & Intl. Switching Centre (NISC) in Amman. Equip. & facilities required for NISC include, but are not limited to—4-wire switch; equip. necessary to interface with natl. & intl. network; 4-wire cordless operator positions; power plant & stand-by power plant; intl. maintenance center; training; centralized automatic message accounting equip. at NISC, & automatic number identification equip. at remote local exchanges. Ducts & related works necessary to connect NISC to transmission center. Agents must obtain tender docs. for JD300 not reimbursable from below address. Quotations in Jordan dinars or U.S. dollars. Bidders will be required to post bid bond in amount of JD 100,000 issued from Jordanian bank, concurrent with proposal. Obtain bid docs. from—Secretary, Tender Committee, Telecommunication Corp., Third Circle, Jabal Amman, Jordan. Refer to bid no. TEE 9/78. Bid deadline Sept. 14.

Manufacturing plants

9913299, 3551358—LIBYA—Supply & installation 2 animal feed plants in Benghazi & Tobruk. Financed by Libyan Govt. through Libyan commercial bank. Tender docs. & specs. obtainable for LD 100 ($348) from Gen. Natl. Organization for Industrialization, Sanaa St., P.O. Box 4388, Tripoli, Libya. Refer to bid no. 3/78. Bid deadline Aug. 12.

9913306—INDONESIA—P. N. Perkebunan X (Govt. estate enterprise), invites bids from mfrs./suppliers in member countries World Bank & Switzerland, either directly or through their Indonesian reps., for furnishing, delivering, erecting & commissioning building plant & equipment for Way Berulu block rubber factory. Financed under IDA credit no. 319/IND. Tender docs. obtainable for rupiah 60,000 (approx. $144.58) from Hqs. P. N. Perkebunan X, Jalan Kedaton, P.O. Box 74, Tanjungkarang, Lampung, S. Sumatra, Indonesia, or Mr. Koesnosoehardojo Bba, Liaison Off., P. N. Perkebunan X, Stadion Utama Gate VIII—IX, Senayan, Jakarta Pusat, Indonesia. Refer to bid no. 27/IDA/PNP.X/1978. Bid deadline Sept. 1.

Natural resource development

9915101-4-6, 9916400—MALAYSIA—Tenders invited for construction civil engineering works for Northwest Selangor integrated agriculture dev. project in state Selangor. Prospective contractors should have extensive experience in projects involving design, mfr., supply, handling & installation structural tertiary conduit canal system incl. supports, earthwork, construction drainage & irrigation structures, construction & rehabilitation farm roads & construction bridges. Anticipated that 5 contracts worth total of U.S. $25.8 million will be called. Works for individual contracts will be constructed on existing small paddy holding aggregating 2,000 ha to 3,500 ha for ea. contract. Overseas contractors may, if they so wish, form joint venture with Malaysian contractors for purpose executing works. Contractors interested in receiving prequal. questionnaire should forward their request to Dir. Gen., Drainage & Irrigation Dept., Julan Swettenham, Jalan Lumpur 10-02, Malaysia. Prequal. deadline Aug. 7.

9915106—IRAQ—Govt. will soon begin construction giant Ishaqi reclamation project, will accept prequalif. applications from intl. contractors. Project incl. construction irrigation & drainage canals to reclaim salt-saturated land, land levelling, & construction roads & ancillary bldgs. Total land area project has not been determined yet, but value contract expected exceed $100 million. Interested contracting firms should telex following info.—description & history co.; financial status; experience in similar projects; countries previously worked in; sub-contractors to be used, if any, to State Organization for Soil & Land Reclamation (SOSLR), Abu Ghraib, Baghdad, Iraq. Telex 2117 SOSIR IK; tel. 555-0400.

9915106, 9923210 — QATAR — Interested estab. contacts with U.S. firm capable conducting major landscape & irrigation installations. 1st project in vicinity Qatar Govt. hotel & conference center in Doha. Requires experience in Middle East or arid land experience. Send brochures, former experience to Keith L. Ludowitz, Partner, Robert Herrick Carter & Assoc. Inc., Landscape Architects, 10150 National Blvd., Los Angeles, Calif. 90034. Tel. (213)837-5248, (213) 870-0425.

9915109—UNITED ARAB EMIRATES—Supply, delivery, transport & store at site, laying, testing, sterilizing & commissioning water distribution schemes at Mussaffah industrial area & Bani Yas residential area. Total length pipeline approx. 370 uv; pipe sizes range from 100 mm dia. to 600 mm dia. Tender docs. must be obtained for non-refundable fee of 5,000 DH ($100 = 3.9 DH) from Purchase Sec., Water & Electricity Dept., P.O. Box 219, Abu Dhabi, United Arab Emirates. Refer to bid WED/W-46/78. Bid deadline Aug. 7.

Cement plants

9915902—ISRAEL—Firm being formed to provide capital for the construction of dry system cement plant in vicinity of Hebron. Capacity of plant intended to be 1,200 to 1,500 tons/day with initial cost approx. $50,000,000 & expected employment of 400. Founders have sought & reportedly obtained permission of Govt. of Jordan & Govt. of Israel to proceed with this project. They have had initial survey performed by French firm Fives Cail Babcock, which has made offer for performing preliminary geological study, feasibility study, detailed study of raw material reserves & determination of factory site & construction of complete plant for est. cost of French francs 83,000,000 under following terms—20 percent paid with order, to cover 35 percent in 9 mos., 40 percent on delivery & final 5 percent upon commissioning of plant or at the latest 30 mos. after placement of order. Capital for co. will come from investments by 100 indivs. from various parts of W. Bank & Gaza & from grants and/or loans from Saudi Arabia & Jordan. Have indicated that, if possible, they would like to have additional geological investigation costs of approx. $300,000 funded by grant because they describe project as not only commercial undertaking, but one that will be of economic benefit to the entire community. Reply to—Kamal Hassouneh, Founders, The Arab Cement Company, Ltd., P.O. Box 9, Hebron, Via Israel. Tel. 976-874.

Transportation support systems

9916102-99, 3662343, 3711228—NICARAGUA—Improvements to Managua Airport. Involves various improvements to Las Mercedes Intl. Airport. 5 "jet ways," ea. to accommodate 1 jet, to be installed. Passenger terminal will be redesigned & ex-

panded. Resurfacing runway & ramp facilities will take place & ramp facilities expanded. Shoulders (35 ft. wide) will be constructed on ea. side of runway. New illumination system installed on runways & taxiways. Project cost $9 mil.; $6.5 million to be supplied by Central American Bank for Economic Integration. Foreign procurement—jet ways, 2 trucks with 500,000 lb. cap., runway lights, distance measurement equip., support & security equip., construction services for runway which must be "grooved." Time execution —bidding procedure to commence within next 6 mos., construction expected to begin in Jan. 1979 & last 18 mos. Also upgrading of regional airports. Project involves substantial upgrading E. coast airports at Bluefields, Corn Island, Puerto Cabezas, Waspan, La Rosita, San Carlos, & Nueva Guinea. Also incl. are regional airports at Chinandega, Leon, Los Brasiles, & San Juan Del Sur in Pacific region, as well as Ocotal, Musun & Rio Blanco in central Nicaragua. Runways to be lengthened, paved, & illuminated. Control equip. to be installed & passenger terminals constructed. All above airports currently have virtually no ground support facilities & have dirt/grass runways in poor condition. Project cost U.S. $20 million; source financing unknown at this time. Foreign procurement — consulting & engineering services, ground support & lighting equip. Time of execution—pre-feasibility study completed. Some work on airports in Bluefields, Corn Island, & San Carlos already undertaken with funds supplied by Nicaraguan Govt. Timing other work unknown at present. Interested firms can contact Col. Francisco Ulloa, Chief Civil Aviation, Minister of Defense, Casa Del Obrero, 8 C. Al Sur, Managua, tel. 61884, or Gen. Guillermo Noguera, Minister of Defense, Managua. Tel. 61884.

9916400 — NICARAGUA — Construction 116-km all-weather road from Rio Blanco to Siuna in dept. Selaya. Gravel road will cut through mountainous, heavy rainfall area & will incl. 16 major bridges as well as many minor ones. Supervision project will be performed by Louis Berger & Assoc., U.S. consulting firm. Total cost project $43 million, $32 million which will be supplied by Inter-American Dev. Bank. Foreign procurement involves construction materials & services. U.S. construction firms may wish estab. joint venture relationship with Nicaraguan firm to bid on project. Final engineering & design plans being completed. Call for prequalifying firms will take place within 6 months. Construction will probably begin 18 mo. following prequal. & expected to last 4 years. Contact Ing. Jose Antonio Carrillo, Vice Ministry & Dir. Gen. Rds., Ministry Public Works, Apt. Postal 28, Managua. Tel. 25952.

9916400, 3531200-700-800, 3711200-3100-5100—PARAGUAY—Supply equip., motor vehicles & spare parts for road maintenance in rural dev. program. 3 tracklaying type tractors with dozers, 200 cv. 2 front end loaders, 100 cv.; 3 motor graders, 140 cv.; 2 compactors on pneumatic wheels, 8/12 tons. 2 industrial tractors, diesel engine with attachment for towing scrapers. 2 truck platforms, 25 tons. 1 tank truck, 8,000 liters; 1 service & repair shop mounted on truck chassis. 2 trucks ea. with complete greasing equip. 2 tank trucks, 3,000, fuel; 3 pickups, ¾ ton, diesel engine, 4x4; 22 jeep-type vehicles, ½ ton, diesel engine, 4x4; 2 station wagons, diesel engine, 4x4; 1 station wagon, diesel engine, 4x2; 8 rear dump trucks, 130 cv. Financed with IBRD financing (loan 1418-PA). Specs. available for $159, from Direccion Gen. de Vialidad, Ministerio de Obras Publicas Y Communiciones-MOPC, Calle General Diaz 7 Alberdi, Asuncion, Paraguay. Refer to DGV-MOPC-BIRF no. 2/78. Bid deadline Aug. 8.

Power generation and transmission

9918104—ARGENTINA—Agua Y Energia Electrica (A&EE) planning enlargement existing thermal electric power station at Lujan De Cuyo, province Mendoza. Project calls for supply & installation additl. 125 mw steam turbogenerator group which can be either oil or gas fired. Turbine & generator have already been supplied by Czechs (Skoda). Boiler, however, yet to be tendered. While bid specs. will undoubtedly call for considerable measure local content in construction boiler, 40 or 50 percent value of components will probably be imported. Bid contest expected approx. 3 mo. A&EE not yet certain whether there will be prequal. phase for this bid contest. Imported boiler components will amount to approx. US$4.5 million. U.S. firms contact Ing. Roberto Estevez, Gerente, Departamento Ingenieria Termica, Agua Y Energia Electrica, Sarmiento 1113, 3 Piso, Buenos Aires, Argentina. Tel. 35-2180.

9918104 — ARGENTINA — Buenos Aires provincial power utility, DEBA, plans construct 620 mw thermal electric power plant near city of Bahia Blanca, about 650 kms. s.e. Buenos Aires. Bahia Blanca power station scheduled to be operational in 1981 or 1982. Will serve principally to provide energy for Petroquimica Bahia Blanca complex. Specs. for this intl. bid contest nearly ready & call for bids currently planned in late 1978 or early 1979. Contract will be opened to bidding by local construction firms only on turnkey basis. There will be prequal. bid exercise in late 1978. Power station will be equipped with two 310mw generators which were purchased by Agua & Energia Electrica from Soviets & have recently been transferred to DEBA. 1 of units came with boiler. Other unit will require boiler (coal fired) of which major components will have to be purchased from abroad. Officials would prefer to purchase entire boiler & associated components overseas, they will probably be required to have up to 50 percent of machine mfrd. locally by "Buy Argentine" law. There will be prequal. bid exercise in late 1978. Other significant items equip. to be imported—boiler regulation systems; plates for mfg. domes; pipes for collectors (over 12 in.), electronic instruments, steel shapes for large structures, auxiliary elements, such as air puff retracting blowers; auxiliary steam turbines; water levels, special control valves; water wall pipes, etc. Suppliers' financing will be required for boiler & other imported equip. U.S. firms interested in boiler would do well to contact local contractors likely to bid for turnkey contract ASAP. Selected list such firms, which is by no means exhaustive are—Sade S.A., B. Mitre 699, Buenos Aires; Techint Com Tecnica International Saci, Av. Cordoba 320, Buenos Aires; A. G. McKee & Co., Argentian Sai Y C, Alsina 633, Buenos Aires. For further info., contact Ing. Walter Viader, Admin. Gen., Dir. de la Energia de Buenos Aires. Calle 55, No. 570, La Plata, Provincia de Buenos Aires, Argentina.

9918201, 9922204—INDIA—Leading Indian firm handling turnkey bids in field of electric power transmission lines interested locating suppliers equip. & hardware for its 3rd country contracts, mostly in S.E. Asia & Middle East. Mfr. transmission towers & chemical processing equip. & handles contracts for power distrib. system. Registered with Asian Dev. Bank & currently handling assignments in Nepal & Laos, & recently won contract for erection 400 km 115 kv (double & single circuit) transmission line in Thailand for Electricity Generating Authority Thailand. In this connection, N. M. Shah would like to estab. contacts with suppliers equip. & hardware for Testeel's future contracts. Particularly interested in receiving offers from suppliers for insulators & insulator fittings, galvanized earthwire, copper rods for grounding, counter weights, transformers, aviation lightings, & fittings, lightning arrestors, isolators, conductors & conductor fittings, conductor stringing equip. & distrib. cabinets. Also interested in cooperating with U.S. electrical engineering contractors operating overseas in joint bidding in 3rd countries & in subcontracting. In position to fabricate power line transmission towers & provide erection personnel to U.S. firms. WTDR 6/77. Contact—N. M. Shah, Mgr. Dir., Testeels Ltd., Opp. Akashvani, Ashram Rd., Post Bag No. 5, Ahmedabad 380 014, India. Cable RAILEQUIP; telex 012-365.

9918203 — NICARAGUA — Bids requested for undertaking civil works necessary for construction electric power substations & for expansion 10 existing substations in various cities throughout country. Bid docs. available for U.S. $100 from Ing. Adan Cajina R., Pres. Ejecutivo, Empresa Nacional De Luz Y Fuerza (ENALUF), C/O Secretaria de la Presidencia Ejecutiva, Apartado Postal 55, Managua, Nicaragua. Bid deadline Sept. 18.

Engineering services

9922199, 9922299—CHILE—Chile's 2nd largest state-owned electric power co., Chilectra, currently giving serious consideration to major hydro project on river Maipo near Santiago. Rough estimates total project cost surpass $100 million. As 1st step, Chilectra will call for proposals from natl. & intl. engineering firms for feasibility study sometime within next several months. Thought that this study will be priced somewhere between $3-5 million. Depending on results of feasibility study, Chilectra will then again call for bids on actual design & construction project. Has not yet been decided whether suppliers will be required to arrange financing during procurement stage. Write to—Alberto Abalo, Tech. Gen. Mgr., Chilectra, Santo Domingo 789, Santiago, Chile. Tel. 32453.

9922299, 9915399 — COLOMBIA — During 1977 govt. mining/leasing contracts with 4 private enterprises to exploit 3 largest & most important emerald mines in country for 5-yr. period that may be extended to 10 yrs. Tech. asst. required by these companies to improve extracting method & increase mining efficiency. Specifically, they want to receive offers for design, construction & installation machine for processing emeralds, similar to those used in South Africa diamond mines. In addition, companies want tech. info. & asst. in employing laser beam technology in extraction emeralds. Interested firms can contact Sociedad Minera De Muzo, Carrera 18 No. 35-50, Carlos Esguerra, Mgr., Bogota; or Sociedad Minera Quipama, Avenida Jimenez No. 8-49 (701), Alvaro Moncada, Mgr., Bogota; or Esmeracol, Carrera 7 No. 14-40 (10), Oscar Villegas, Mgr., Bogota.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Broad woven fabric mills

2211410—WEST GERMANY—Carded colored yarn fabrics—denims, incl. sport denims. Quality 1085 & 1655 (preferably Levi's & Lee material). 1,000,000 meters required. Founded 1968; annual turnover DM 10 million; 5 employees; good reputation. Reply to—Mr. Witt, O. F. Haht & Co., Harburger Ring 17, 21 Hamburg 90, Germany. Tel. 040 77 66 78; Telex 17766.

2221100, 2281448, 2283100—BELGIUM—Textiles, synthetic, all types. Also woolen weaving yarns; sewing threads. Medium-sized weaver of velvet upholstery fabrics. Interested in importing & represent U.S. textile lines which it feels can sell to existing clientele. Reply to—E. J. Van Daele, Mgr., Ter Molst P.V.B.A., 8789 Oostrozebeke, Belgium. Tel. 056 66 71 51; telex 085354.

Novelties, giftware

2249582, 3229100, 3231633, 3269000 — UNITED KINGDOM — Wood novelties, glassware, novelty glassware, novelty pottery sought by firm experienced in giftware field in both U.S. & U.K. Particularly interested in ethnic products. Ref.: Barclays Bank, Ltd., Guardown Rd., S. Lambeth, London SW8 4LU. Cable BAALON LDN W2. Reply to—Warren Hoskins, Warren Hoskins Sales Asst., 57 Brocket Way, Chigwell, Essex, U.K. Tel. (01)486-1486; telex 25836 RENOWN G.

Knitting mills, products

2253315—TOGO—Slacks, jeans & dungarees, knit. Wholesale dealer in gen. merchandises incl. used clothing. Annual sales volume est. at cfa 12 million. Employs 6. Language corres. French. Interested U.S. firms quote c.i.f. value Lome port. Reply to —Kissey Afo-Alalai, Dir., Ets Simper, BP 4323, Lome, Togo.

Prefab. structural wood products

2431134—MOROCCO—Mfrs. agent, seeks agency for windows, louver, wood frame. Send letters & publicity material in French, if possible, to Mr. Franceschi, OITC, 3, Rue Rouget De Lisle, Casablanca, Morocco. Tel. 21-991 M.

Industrial chemicals

2811300 — WEST GERMANY — Polyurethane for mfg. polyurethane harofoam used for installation of prefabricated parts, filling of hollow space, home-insulation, etc. Medium-sized mfr. of chemical material used in construction industry. Employs 50; annual sales at DM 8 million. Interested in taking license from a U.S. company. Favorably known to Consulate General. Reply to—W. Schuehle, Rocca Bauchemie GmbH, Hauptstr. 132-134, D-7809 Denzlingen, W. Germany, Cable ROCCA; telex 772595; phone 7666/2022.

Toiletries, cosmetics

2844000—EGYPT—Toiletries & cosmetic preparations, all kinds. Agent & distrib. for European companies mfg. toiletries & cosmetics seeks connection with U.S. mfrs. in this line. Send catalogs & price lists to Fathi Naguib, 8, Baghdad St., Heliopolis, Cairo. Tel. 961507.

2844000—EGYPT—Toiletries & cosmetic preparations sought. Orfy has for past 20 years been general manager Lactuel Cosmetic Co., for cosmetics, chemicals & dyes, now estab. own importing & exporting office & seeks connection with U.S. mfrs. in this field. Contact Muhammad Orfy, Orfy Office, 22, Abdel Khalek Sarwat St., Cairo. Tel. 40021.

2844000—EGYPT—Owner of factory for mfg. toiletries & cosmetics seeks connection with U.S. mfg. co. in this field. Contact Mrs. Zainab Mahfouz, Societe Mahfouz for Commerce & Production, 21, El Tobgi St., Dokki, Cairo. Cable MAHFOUZCO CAIRO; tel. 982992.

Chemical products

2899411-31—REPUBLIC OF KOREA—Gelatin, food grade, est. annual requirement $75,000. Pharmaceutical grade, est. annual requirement $75,000. Send price quotations, brochures, & proposals for agency agreement to Kwang-Koo Lee, Section Chief, Seh Woong Industrial Co., Ltd., CPO Box 2976, Seoul. Phone 776-1066, 8188 or 5519. Cable PANCRYST SEOUL.

Fabricated rubber products

3069428—FRANCE—Synthetic floor covering. Large French pvc liners & floor covering mfr. Annual sales FF 100 million. Exports throughout Europe. Employs 400. Wishes expand product line & represent U.S. mfrs. of complementary items. Already represents U.K. firm. Financial ref. —Societe Generale in Tarare. Reply to— Mr. Bonnet, Tech. Mgr., Societe Bat Taraflex, BD Garibaldi, BP 57, 69170 Tarare, France.

Plastic products

3079631-7—FRANCE—Plastic wall coverings. Small corp. estab. 1954. Capitalized at 238,000 francs. Employs 16. Distrib., exporter & importer of wallpaper, upholstery fabrics, coated fabrics & plastic wall coverings. Bank refs.—Banque Parisienne de Credit, 9 Rue du Pres. Wilson, 92300 Levallois Perret; Banque Nationale de Paris, 18 Blvd. Voltaire, 75011 Paris. WTDR 5/78. Reply to—Frederic Foucaud, Pres. & Gen. Mgr., Compagnie Industrielle de Fournitures, Automobilies et D' Ameublement, 31 Ave. de la Republique, 75011 Paris. Phone 357-8515; telex 680585 F.

Asbestos products

3292200—EGYPT—Asbestos brake linings, riveted & non-riveted. Owns factory for mfr. brake linings. Represents some European companies & seeks connection with U.S. mfrs. in this field. Write or cable to —Sherif A. Anwar, Anwar Jointing Factories, 17/19 Hammouda El Mekawel St., Abdin, Cairo, Egypt. Cable ANWARSERV CAIRO; tel. 904007.

Steel mill products

3312330-50 — WEST GERMANY — Hot-rolled sheet & strip, alloy & stainless steel. Estab. 1948 as steel dealer selling primarily to steel construction & transformer firms. Recently added building materials, especially insulating products, to its line of business. Employs 25 & has annual sales of DM 4 million. Financial ref.—Volksbank Brilon in 5790 Brilon. Reply by fastest means to—Herr Josef Kaefer, Josef Kaefer KG, Gartenstr. 34, 5790 Brilon, Germany. Tel. 02961/8014; telex 84607.

3312335—REPUBLIC OF KOREA—Silicon steel sheets for use in mfr. electrical parts & components. Firm has end-users seeking U.S. suppliers. Require 800 m.t./mo. of non-grain-oriented sheets beginning ASAP. Est. c.&f. prices—$880/m.t. for grain-oriented & $520/m.t. for non-grain oriented. Specs. available. Firm seeks price quotations, delivery terms, & proposals for agency agreements. Estab. 1977 & commission sales agent for foreign suppliers scrap, logs, & electronic parts. Telex to—Kyu-Hah Choi, Dir., Boo Chang Industrial Co., Ltd., CPO Box 6172, Seoul. Telex KUNSUL IN K2664 ATTN. BOYANG; tel. 20-0780 or 0436.

3312415—BOLIVIA—Overseas agency opportunity for structural steel. Reply to— B. Salomon Besinger, Idel B. De Simon, Casilla 945, La Paz, Bolivia.

3353223—ECUADOR—Flat, heat-treatable aluminum sheet. Quote c.&f. Guayaquil incl. such indent agent's commission as conventionally paid by each individual supplier. Reply to—Arturo Feraud-Stagg, Mgr., Excoim S.A., Casilla 645, Guayaquil, Ecuador. Cable BARFE; telex 3605; tel. 401113.

Nonferrous foundries

3361273—IRAN—Nonelectric cast aluminum cooking utensils sought. Estab. 1976 & employs 20. Annual turnover at $300,-000. Reply to—A. Rafat, Dir., Eco. Demand of Iran, 15 Villa Ave., Tehran. Tel. 523 677.

Cutlery, hand tools, gen'l hardware

3423398 — NETHERLANDS — Cutlery, hand tools & hardware, hand & edge tools, other hand tools. New firm estab. 1/78. Owner-mgr. intends to specialize in supply of all roofing materials & related tools for building trade. Initial orders will be financed by Nederlandse Mid Denstands Bank, Tilburg, bankers for Mr. Van Der Aa. Trade on secured basis recommended. Agency/distrib. for Netherlands. Reply to —J. A. Van Der Aa, Mng. Dir., P.O. Box 683, Tilburg, Netherlands. Tel. 04242-3287.

Fabricated metal products

3499299—SWITZERLAND—Tungsten carbide tubes, for applications in production of office writing materials. OD 0.35 in. & up; ID 0.00275 in.; length min. 4.0 in. Reputable importer & distrib. of all kinds of semi-finished products for further processing into industrial & consumer-type equip. Looking for reliable U.S. source of supply for tungsten carbide tubes, for which Jenni claims he has rapidly growing demand. Bank ref.—Swiss Union Bank. Reply to—Dr. John Jenni, P.O. Box 28, 3028 Spiegel, Bern, Switzerland. Tel. 031534575.

Special industrial machinery

3551198—FINLAND—Separators based on reverse osmosis principle for various dairy products. Client is open to new concepts in application of equip. to dairy industry. Required cap.—50,000 gallons/day approx. Medium-sized, well-connected firm, acts as agent/distrib. of machinery & equip. primarily for food processing industry. Represents following U.S. companies—Barry-Wehmiller Co., St. Louis, FMC Corp.,

Chicago, Hayssen Mfg. Co., Sheboygan, Wis., Jensen International, Inc., Tulsa, Okla. Jorma Lampen, Mng. Dir., Oy Hermeko AB, Fredrikinkatu 29 A, SF-00120 Helsinki 12, Finland. Telex 12-1067; Tel. (90) 13722.

3553167—SWITZERLAND—Portable, gas motor driven chain saws for forestry work & agricultural applications. Importer/rep. of gardening & agricultural machinery & equip. capable handling repair & after-sales servicing. Covers all Switzerland. Has 30 employees. Bank ref.—Union Bank of Switzerland, Solothurn. Reply to—Kurt Scherrer, Sales Mgr., Agro-Service AG, Luzernstrasse 102, 5428 Zuchwil, Switzerland. Tel. 065/26 11 61.

3555136-343—WEST GERMANY—Typesetting machinery & equip. (excl. justifying typewriters)—photographic typesetting machine, incl. integral computer; printing presses, web-fed & all other. Founded 1964; annual turnover DM 5 million; 23 employees. Reply to—Nick Th. G. Pelzers, Barbiersweg 17-19, Laren (NH). Tel. 02153-10112.

3555218 — WEST GERMANY — Printing presses for production of business cards & letterheads. Prospect is small business consulting firm with 3 employees. No sales data available. Founded 1976. Marketing territory would include Fed. Rep. Germany, Switzerland, Austria, Belgium, Luxembourg & France. Reply to—W. Wild, Ima Marketing GmbH, Muensterplatz 3, D-7900 Ulm, Germany. Telex 712366; tel. 731/62860.

3559351—REPUBLIC OF KOREA—Plastic injection molding machines for use in production housing for television sets. Located enduser who urgently needs 400 & 550 m/t class machine. Est. cost for 2 machines—f.o.b. $200,000. Seeks price quotations, proposals for agency agreement, & delivery terms by telex & catalogs & product lit. by airmail. Firm registered offer agent, has official status to represent foreign suppliers & submit price quotations in its own name. Formerly represented Japanese producers but wants to represent U.S. companies. Telex to—Goo Kim, Pres., Far East Commercial Corp., CPO Box 4176, Seoul. Cable GOLDPONY SEOUL; tel. 777-1725/6; telex K27220 ATTN. KIMGOO.

3559589—FRANCE—Machinery for semiconductor production. Estab. 1971. Importers, distrib. of electronic equip. & lab. instruments. Employs 9. Sales area—France, Spain, Portugal. Financial ref.—Compagnie Parisienne de Banque, 75008 Paris. Good credit rating. WTDR available. Reply to—Hans Grundmeier, Sales Mgr., Karl Susse France, 5, Rue Dalimier, 91320 Wissous, France. Tel. 033/1/930-11-50; telex 691 629.

3559589—FRANCE—Electronic commercial equip. Estab. 1963. Importers, agents, distrib. of electronic components, electronic industrial & commercial equip., testing & lab. instruments. Sells locally only. Financial ref.—Banque Nationale de Paris, 92 Saint Cloud. Good credit rating. WTDR available. Reply to—Robert Guez, Pres. Gen. Mgr., Equipements Scientifiques, 35, Chemin Des Roses, 92150 Suresnes, France. Telex 610 707 F; tel. 033 177 21518.

3559589, 3832131 — WEST GERMANY — Opticians' precision tools, machinery, & equip. Med.-sized wholesaler of ophthalmic supplies with annual sales about $1 million. Reply to—Karlhanns Schwank, President, Optische Werkstaetten Geisenheim GmbH, Winkeller Strasse 55, D-622 Geisenheim, Germany. Tel. 06722-8813; telex 42 158.

General industrial machinery

3561519—WEST GERMANY—Agricultural pumps. Estab. 1976; employs 5. Financial ref. — Stadtsparkasse Hannover, Geortsplatz 19 A, 3000 Hannover 1. Reply to—Khudhair-Abbass Huss Ein, Sumer, Bissendorfer Strasse 1, D-3000 Hannover 61, Germany. Tel. 0511 55 96 33; telex 09 22 933.

Household appliances

3634198—EGYPT—Electrical fans to install in ceilings. This item is subject of govt. tender. Hamalawy seeks represent U.S. company interested in submitting mfg. proposal for 10,000 ceiling fans/yr. Contact Mohammad A. El Hamalawy, Misr Consulting Office, 5, Soliman Mohammad, Abaza St., 2nd Dist., P.O. Box 447, El Horria, Heliopolis, Cairo, Egypt. Cable FATRAMO CAIRO; tel. 870841.

Electric lighting, wiring equip.

3643077—NORWAY—Waterproof electric switches for installation in leisure boats. Small energetic firm estab. 1949, specializing in electric & electronic components & instruments for growing boat industry in Norway. Employs 5. New product line incl. process control instrumentation. Bank ref. —Andresens Bank A/S, Oslo 1. Write or telex—A. O. Ekholt, Mng. Dir., A/S Navus, Tollbugaten 4, Oslo 1, Norway. Telex 18441 NAVUS.

Electronic equipment

3651420—MOROCCO—Duplicating equip. for musical cassettes. Specializes in fire fighting equip., safety devices & other related products. Seeks U.S. mfrs. of above products for exclus. distributorship. Send letters & publicity material in French, if possible, to Mr. Garozzo, Stop-Vol, 24, Rue Hadj Amar Riffi, Casablanca, Morocco. Phone 26-31-68; Cable STOP-VOL, CASABLANCA.

Communications equipment

3662681—MOROCCO—Door opening control devices, photoelectric cell operated. Specializes in building & construction products. Seeks U.S. mfrs. of products mentioned for excl. distrib. Send letters & publicity material in French, if possible, to Rene DeJoie, Mng. Dir., Societe Marocaine Des Ets Leconjour, B.P. 3021, Angle Rue Abou Zaid Hilali et Blvd Moulay Slimane Casablanca, Casablanca, Morocco. Phone 24-68-17 or 35-12-34.

3662681 — AUSTRIA — Automatic garage door openers, operating on frequency 27 mhz. Med. sized importer & distrib. kitchen & bathroom equip. & appliances; estab. 1969. Electrical power supply characteristics for cooking appliances & food waste disposers—220 v. 50 cycles, single-phase, 2 wires. Documented offers, incl. price quotations, preferably c.i.f. Austrian border requested. Reply to—Erich Kendler, Interspuelen Ges. m.b.H. & Co. KG, Rifer Hauptstr. 89, A-5400 Hallein-Taxach, Austria. Tel. 6245/2766.

3662681-97 — SWITZERLAND — Ready-to-install consumer electronic equip. Automatic garage door openers. Electronic toys, self-programmable home microcomputers. Est. annual potential $90,000. Market territory Switzerland. Trading co. distributing Wynn's oil additives to garages & gasoline filling stations. Labor force 3 plus 6 free-lance salesmen. Looking for additl. lines. Bankers report firm has sufficient working capital. Business recommended. Reply to—Heiner Tschabold, Raton AG Handelsgesellschaft, Sennhuttenstr. 13, CH-8810 Horgen, Switzerland. Tel. 01/725 05 06.

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Measuring and controlling devices

3823080—GUATEMALA — Water quality monitoring and control systems. Importer of swimming pool equip. & pumps & wishes to extend to water systems for homes. WTDR available. Recommended as trade partner. Ref.: Meller Associates, N.Y. Reply to—Peter J. Dubiel, Owner—Mgr., Agencias Dubiel, 6A. Ave. 11-46, Zona 9, P.O. Box 1420, Guatemala City. Tel. 316005, 316955.

3823080—ITALY—Flow & liquid level control & regulation instrumentation. Estab. 1975, employs 34, small mfr. of polyurethane making machinery & equip. Maintains facilities on area of 5,000 sq. meters. Sales totalled 1.5 billion lire in 1977 (est. for 1978 will be approx. 2 billion lire). Enjoys good business & credit reputation. Reply to—Dr. Gaetano Lombardini, Gen. Mgr., Oms Impianti Spa, Via Sabbioneta, 20050 Verano Brianza, Italy. Telex 37498 FOR IMPIANTI OMS; tel. 0362/98676.

Toys

3941200—ITALY—Toys in general. Est. annual potential sales value approx. $800,000. Estab. 1960, medium-sized mfr. of wearing apparel for children & infants to 6 yrs. of age, with production running around 400,000 units/yr. Operates well-equipped facilities on 1,000 sq. meters; has 44 employees & network of 7 reps. in Italy. Sells in Italy & exports to Europe & Middle East, where very well introduced in market. Present business turnover approx. 1.5 billion lire. Owned & managed by Volta family. Expecting offers with c.i.f. quotation. In view of present level of business done by this firm, post suspects value of potential sales has been somewhat overstated. Nonetheless, firm good prospect for U.S. companies. Reply to—Peirluigi Volta, Gilardino Lydia, Via Carozza, WI, 29100 Piacenza, Italy. Cable LIDIA CONFEZIONI; tel. 0523-41304; telex 53112 CAMCO PC.

Visiting Buyers & Officials

AUSTRALIA—R. McIlroy from Sydney wishes to act as an agent in Australia for mills producing **woven curtain fabrics and upholstery cloth.** He will arrive in New York July 5 on flexible schedule until departing from Los Angeles, July 16. For additional information contact Jane Puse, Foreign Buyer Program, Room 2322, U.S. Department of Commerce, Washington, D. C. 20230; 202-377-3265.

ITALY—Carlo Panerai of Florence is interested in U.S. manufacturers of **men's casual wear.** His established company imports and distributes throughout Italy. For further information contact Theresa Rettig, Foreign Buyer Program, U.S. Department of Commerce, Room 2322, Washington, D. C. 20230; 202-377-3265.

IRAN—Mr. Nicholson, Consulting Engineer from London, has contracted to develop a software system to computerize Iranian **customs operations.** He will be visiting the U.S. in the near future and wishes to meet with consulting firms to discuss the system currently employed in the U.S. The Iranian system to be developed will, among other things, compile statistics, computerize documentation, warehousing and material control, and calculate duties. Contact Jane Puse, 202-377-3265.

ISRAEL—Mordechai Lev from Tel Aviv will visit U.S. in July to purchase **towels and bed sheets.** He is primarily interested in surplus stocks of 100 percent cotton white bedsheets, single and double, and standard, white pillowcases for ships linen and non-iron bedsheets, plain and patterned, single and double, jeans and overalls for men, all sizes (about 2,000 pcs.); all types of blankets for ships and private consumption; attache cases from surplus stock or discontinued line; face and bath towels for ships and private consumption; kitchen and beach towels. Potential sales for first year for towels is estimated at $30,000, and $50,000 for bedcovers. He will be mainly on the East Coast with a flexible itinerary. Annual sales volume is reportedly $14.5 million. Contact Jane Puse, 202-377-3265.

PAKISTAN—Mr. Fakhruddin of Karachi will arrive in U.S. July 15 to locate U.S. suppliers of **stainless steel sheets** in secondary and prime qualities. Interested parties should contact Damon Greer, Foreign Buyer Program, Room 2322, Washington, D. C. 20230; 202-377-3265.

JAPAN—Shingo Takemasu from Osaka Kobe will be visiting the U.S. in July to seek **blades for corduroy cutters** (knife type). He is also interested in **corduroy cutting machines** (wheel type). Firm is a manufacturer of corduroy and velveteen fabrics, capitalized at $120,000, annual sales $30 million. Contact Jane Puse, 202-377-3265.

SWITZERLAND — Daniel Dutler from Zurich is planning to establish a new distributorship. He is interested in inexpensive or technologically advanced **consumer goods:** household and industrial cleaning and maintenance chemical products and industrial tools and supplies not requiring post-sales service. Dutler arrived in San Francisco the latter part of June for two-three month stay. Contact Jane Puse, 202-377-3265.

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- Tariff reductions on $2 billion of imports.
- Removal of import quotas on 12 products.
- Increased import quotas for beef, oranges and citrus juice.
- Liberalization of Japan's foreign exchange control system.
- Japanese Cabinet instructions to make it easier for foreign firms to bid on Japanese Government procurement contracts.
- A visit to the U.S. in March of a buying mission resulting in $1.94 billion in purchases to be finalized this year.
- Relaxation of rules for the standard method of settlement.
- Expanded credit for imports into Japan, simplified inspection requirements.

All signs say "go." The fact is, the Japanese Government has pledged full cooperation in removing Japanese obstacles to American exports to Japan. It has joined with us to set up the joint U.S.-Japan Trade Facilitation Committee (TFC) in order to resolve specific difficulties concerning Japanese trade practices or procedures encountered by U.S. companies in trying to export to Japan.

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